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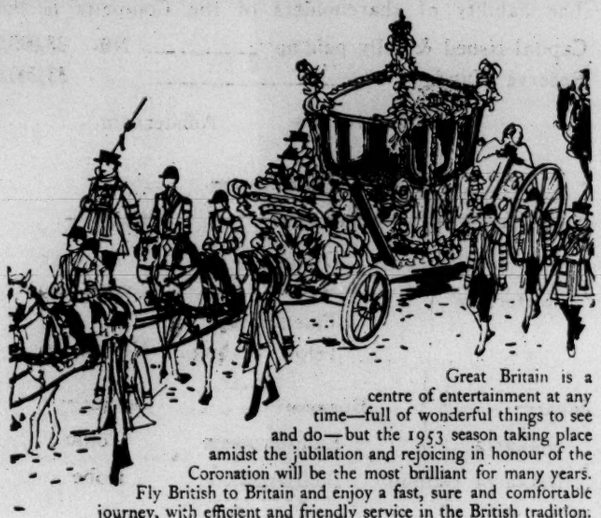

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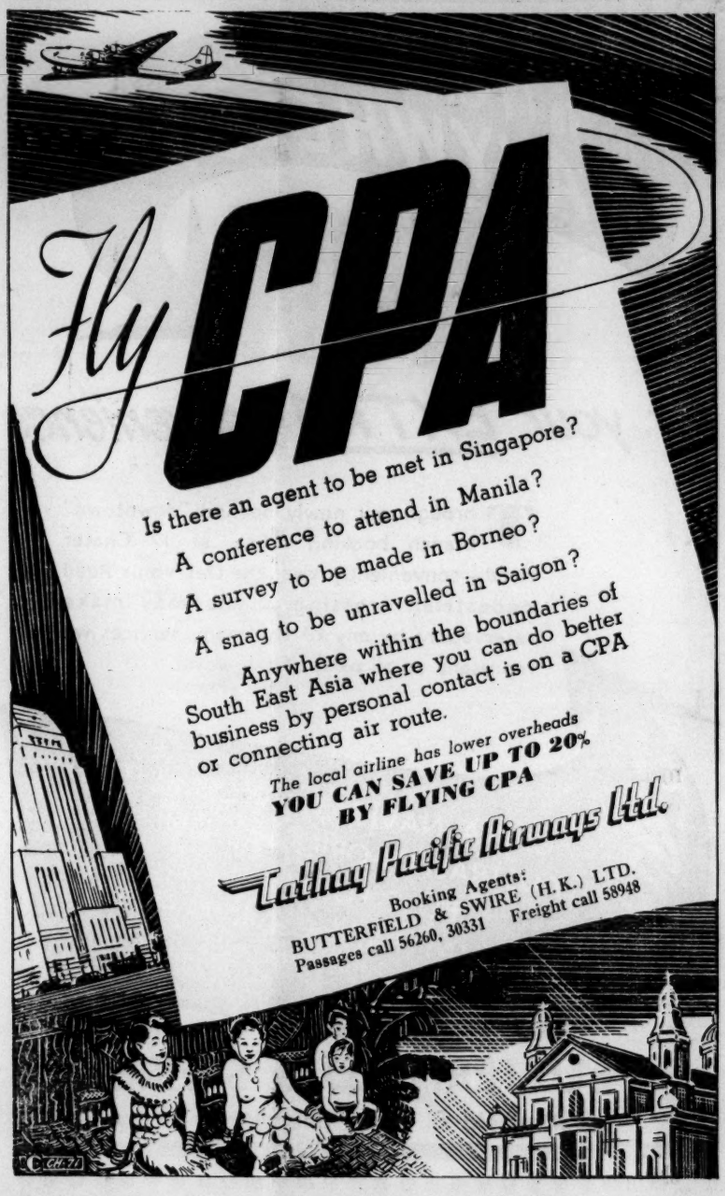
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FAR EASTERN
ECONOMIC REVIEW

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EXPOSURES OF GERM WAR PROPAGANDA

Ever since it was suggested at the U.N. General Assembly that a United Nations Commission should go thoroughly into the Communist charges of germ warfare, there has been a notable slump in Communist propaganda on this matter. But the man chiefly responsible for the whole thing, Dr. Chen Wen-kuei, was taken along with the variegated delegation to the Vienna conference and allowed to do his stuff on his own. This time he appears to have concentrated on the germ-laden oysters—surely even more difficult than leaves and fleas to impregnate.

Meanwhile there have been some pretty devastating exposures of the whole history of what the principal members of the American administration have bluntly described as "a monstrous fraud." It has been shown how the four American airmen who "confessed" contradicted each other and even themselves. For example, on one page of his "confession" Enoch wrote that "these germ bombs looked exactly like a regular 500 lb. bomb to me. In the daytime they may have some distinguishing characteristics, but it was dark when I saw them." On the next page he draws a beautifully clear picture of the internal mechanism of this bomb, with its exact measurements, weight (150 lbs. not 500 lbs.) and contents ("3/5,000 insects"). Not bad for a man who only saw the thing in the dark and never even touched it.

O'Neal contradicts Enoch by "confessing" that this bomb cannot carry any insects at all, let alone between 3,000 and 5,000, because its explosion would kill them. He says the bomb is loaded not with insects but with jelly, impregnated with bacteria, which are disseminated when the bomb hits the ground and explodes. O'Neal in turn is contradicted by Kniss, who "confesses" that the bacteria must be released in mid-air, because they would be killed by explosion on the ground. (The germs were all trained paratroopers, of course, and knew how to float down to safety without even wetting their feet)!

But what a critic calls this "monumental spoof" has to be treated very seriously, because it had been a major offensive not only in the cold war but in the Korean war itself, for the campaign planners said quite openly they were aiming at the morale of the U.N. troops themselves as well as to make the name of America stink throughout Asia.

When these and other criticisms were published, Dr. Needham dismissed them on the ground that they were based on incomplete broadcast summaries. He admitted that the earlier propaganda reports were vulnerable and scientifically impossible, but he claimed that he and his colleagues had tidied up the scientific dress in which Peking's propaganda was clothed, to remove absurdities and make it scientifically respectable. He urged critics to wait till the full report came out.

This reached London from Prague in December. It makes a book of 665 numbered pages and many unnumbered pages of photographs—even more elaborate than the books in English Moscow used to send out of the great purge trials of Stalin's brother-conspirators who had fallen from his high grace. "It makes some of the best humorous reading of the season," comments one reviewer. The language is as bad as the science.

But one disclosure is of vital importance. When Dr. Chen made his first bid for fame during the Sino-Japanese war, and accused the Japanese of dropping plague-infested fleas on Changteh, in Hunan, on November 4, 1941, his "scientific report" was sent to the British Government, presumably

through Dr. Needham—who was then Scientific Counsellor to the Embassy. Mr. Churchill's Government ordered an investigation, and the Foreign Office in London made available in December the report of this investigation. It was a detailed scientific refutation of Dr. Chen's report, and its conclusion was that the Chinese report "would perhaps make good propaganda but was scientifically worthless."

There was no epidemic, to begin with, at Changteh, and in the six cases alone suspected of being plague the evidence was found to be quite inconclusive. Even Dr. Chen himself admitted that the piece of paper, grains of rice and wheat and a little cotton, unhesitatingly identified by the local Chinese hospital at Chengteh as infected with plague, were in fact not infected. So he came to the conclusion that the Japanese must have dropped infected fleas, not plague-infested rice. Nobody saw any fleas. Dr. Chen himself set "tangle-foot flea traps," but failed to catch any fleas—a negative achievement which those who know backward and primitive Changteh will hail as remarkable indeed. There were no dead, flea-bitten rats around, so Dr. Chen formed another deduction that the Japanese fleas, manipulating their parachutes like trained troopers, descended straight upon human beings! This conclusion, however, came to him on the 1952 investigation—through his Soviet colleague!

Other Chinese scientists would not fall for all this, and their repudiation of his findings still rankles ten years later. The Chinese hygiene specialists who criticised his findings were, he complained, "too technical-minded" because of the lack of material evidence. As for the Kuomintang leaders, he says, they "knew that the Japanese aggressors had waged bacteriological warfare"—which nobody in China seriously believed any more than they believed the daily charges in Communist and Nationalist communiques of the use of gas by each other in the civil war. But, he says, "under the bribery and pressure of the American imperialists they betrayed their own conscience and the welfare of their own people simply for their own benefit." Both the Kuomintang Government and the Americans were at war with Japan at that time, which makes this angry and preposterous outburst still more incredible.

And the human flea idea is also regarded with scepticism. A year before Dr. Needham went on this Communist-inspired junket to the Far East with his colleagues on the "International Scientific Commission," Dr. James Busvine, of the Department of Medical Entomology of the London School of Hygiene and Tropical Medicine published a book entitled "Insects and Hygiene." In this he happens to note that "so far as man is concerned the human flea is seldom a disease carrier . . . . and curiously enough, it is extremely difficult to rear in the laboratory." Rat fleas, on the other hand, are far more deadly and far more easily raised in a laboratory.

A sharply critical note was struck in a letter to The Times by a group of eminent public men, over the report signed by the Cambridge scientist Dr. Needham, and his international colleagues, on germ warfare in Korea. The group comprises the former Viceroy of India, Foreign Secretary, and Ambassador to the U.S.A. (Lord Halifax), the Chairman and the Director-General of the English-speaking Union, the Chairman and the Secretary of the U.N. Association and Professor Gilbert Murray, O.M., the great classical scholar. They pointed out that the Chinese and Korean Communist Governments had refused repeated offers to submit this question to impartial investigation while continuing the accusations, to which the Dean of Canterbury and other ideological pilgrims returning from the Far East had made their contributions. They say that since this report implicates British science and impugns the integrity of the British and U.S. Governments, "it seems highly desirable that the validity of the conclusions drawn from the 'evidence' put before the members of the commission should be subjected to searching scrutiny by their fellow scientists."

To this letter Dr. Needham replied that evidence was taken only on the Communist side of the line because "it is not claimed that bacteriological warfare incidents have occurred on the other side." To that the Director of the National Peace Council, Mr. Leslie Smith, retorted: "If I were to accuse Dr. Needham of trying to poison me, would it be proper that he should stand condemned for attempted murder on my evidence alone? Would he be content with a judicial system which ignored any evidence he might offer simply because he had not accused me of a similar crime against himself?" He went on to say that "any remaining belief in the germ warfare allegations themselves must surely have been eliminated by the absurd implications of this spurious notion of justice which, however, do emphasise the need to preserve intellectual, moral and scientific integrity from the corroding power of Communist or any other form of hate propaganda."

The three principal officials of the British U.N. Associations and of the Eastern Regional Council, of which Dr. Needham is a Vice-President, wrote in pointing out that Dr. Needham had not consulted them in any way, and deploring his actions as a member of the commission. He appears to have gone there, said these officials, without doing anything to denounce the aggression which thousands of his fellow-countrymen are daily risking their lives to defeat and which the Eastern Regional Council of the U.N.A., no less than the rest of the Association, has roundly condemned.

"Because Dr. Needham is a Fellow of the Royal Society the report of the commission has been publicized by his friends as conclusive scientific proof of the charges of germ warfare. We therefore regard it as a matter of public importance that some authoritative body of scientists, with special competence in this field, should examine the report

and assess the scientific value of conclusions that politically seem so highly improbable."

Dr. Needham pointed out that he had in no wise committed the Regional Council and the two surviving ex-Presidents of the Royal Society (Sir Henry Dale and Sir Robert Robinson) emphasised that the report of the commission and Dr. Needham's part in it did not implicate British science. Nobody would call the Church to account for the words and deeds of the Dean of Canterbury, or regard the Bar as "implicated" if a member describing himself as a Queen's Council should publicly applaud or excuse the activities of Communists. They emphasised, however, that Dr. Needham's achievements in bio-chemistry eleven years ago which gained him election as a Fellow of the Royal Society in 1941 "have, in our opinion, no significant bearing on his competence to give an impartial verdict on the main question with which this report (on germ warfare) is concerned." The ex-Presidents of the Royal Society went on to say that the members of the commission do not claim to have obtained, or indeed to have been in a position to obtain, direct or factual evidence for themselves. Their scientific experience, indeed, should have enabled them to understand better than the ordinary citizen, the technical language of the evidence from Chinese experts, on their tests and identification of materials submitted for examination.

"The really important questions before the commission, however, were of a different and not a specially scientific nature. They involved the scrutiny of evidence from all kinds of people, purporting to prove how and where the objects submitted for examination were discovered and—the essential point—to show that they were deposited there in a particular manner. Even if all the evidence on the nature and infectivity of the objects, and on the manner and the sites of their discovery, could be accepted as proven—in itself a large assumption—there would remain the commission's chief task, to decide on the evidence available whether they were, as alleged and denied, dropped from American aircraft with belligerent intention, or 'planted' by some other agency to provide material for propaganda, or for some other purpose."

The famous scientists go on to say that the kind of qualifications required for such a responsible decision would be a long and wide experience in dealing with witnesses, in testing and evaluating their evidence, and in reaching judicial decisions upon it; knowledge of human nature; freedom from any political or other bias towards one side of the dispute; and a sound equipment of common sense. "We have no reason to believe that such characteristics are specially developed in scientists; we do not think that the F.R.S. warrants a presumption that the holder is specially endowed with all of them, and we should not think of claiming such endowment for ourselves."

They point out that the Royal Society for upwards of 200 years had consistently refused to accept a corporate responsibility or to give a corporate opinion about anything. It had on occasion, however, nominated a committee of experts to inquire into some matter of scientific importance, and to take individual responsibility for any report on it which they may present. Whether the Society would consider the report from China to be suitable for such action would be a matter for decision by the present officers and council. "We may allow ourselves only to say that we should not expect them to find it so, for the reasons already given."

"If a Committee were appointed for such a purpose, by any organization or authority, they might need to consult scientific experts on particular points in the report; but their main task would, in our opinion, be to assess, not the value of scientific evidence on matters of detail, but the competence and impartiality of the members of the commission, in drawing their main conclusions from evidence largely not scientific."

Dr. Needham, speaking as President of the British-China Friendship Association at a meeting organised by that body, said he had accepted the integrity of the Chinese and Korean scientists who had carried out the investigations. The commission has not carried out any original scientific investigations.

COMMONWEALTH CONFERENCE—THE NEXT STEPS

The Commonwealth Economic Conference is over—by common consent the greatest and most successful in the long sequence of these meetings. It would be unwise to gauge its importance from the contents of the final communique. As such declarations go, it stands high. But it gives no real clue to the work done at this conference—and this for two reasons.

The first is that a great deal of the debate was devoted to the subject of sterling—the timing and the method of its convertibility. The pros and cons of fixed and floating rates were debated; so was the need to secure from non-sterling countries assurance so to conduct their sterling trade as to avoid building up sterling balances purely for the sake of converting them into dollars; so was the plan of campaign for approaching the United States and the International Monetary Fund for the "stand-by" assistance that will be needed in the event of sterling taking the full plunge into convertibility.

These are not the kind of issues that can be ventilated in communiques and shouted from the roof-tops. To do so would be to give unmerited warning to currency speculators and, perhaps, to prejudice the success of extremely delicate international negotiations. But the relative quietude of the communique on these issues does not mean that they have not been discussed. In fact, they provided the most crucial subjects of debate at the Conference—and the trend of that debate was unquestionably favourable to a move towards freedom. The coming year will be a time of decision—and the prospects suggest that by the end of 1953 the pound sterling will be a freer currency, in terms

both of restrictions on its use and of the limits within which it can fluctuate, than it was at the end of 1952.

The second reason why the communique fails to do full justice to the Conference is that much of the discussion concerned the inner recesses of domestic policy. For the first time in the history of such Conferences, the countries of the Commonwealth sat in judgment on one another's domestic policies. The Indians put awkward questions about the British budget deficit, the Britons cross-examined the Australians about their capital expenditure on secondary industries—and so on. The exercise was most salutary and it was decided that every interest would be served by making such joint study of domestic policies a more continuous part of the system of inter-Commonwealth consultation and co-operation.

Such consultation must take place since all members of the Commonwealth (save Canada) share a common pool of gold and dollar reserves. It is very much the concern of each member to know how the others are handling their domestic affairs and, therefore, whether they help themselves from, or contribute to, the central pool. But it need hardly be stressed that this concept of external intrusion into domestic affairs—even by other members of the Commonwealth family—may be political dynamite in the countries concerned. The fact that it is accepted is a token of the recognition by the Ministers assembled in London that domestic policies are the key to the problem of external solvency. That recognition is now virtually unanimous throughout the Commonwealth. This is, perhaps, the most important single fact about the Conference and that which bears most promise for the future solvency of the sterling area and convertibility of the pound.

The convertibility of sterling is to be achieved "by progressive stages". What these are, how rapidly they can succeed one another, must depend on the actions and policies of other countries as well as of those within the sterling area. It would be idle to guess at the timing or the exact nature of this advance. It can however be said that from the sterling side the technical position is improving. The sterling area achieved a balance with the rest of the world in the second half of 1952 and something even better than this is expected in 1953. The sterling countries have undertaken to keep inflation at bay and pursue "sound domestic policies". If they keep this promise opportunities for administrative steps towards greater freedom in the use of sterling can be seized without incurring unreasonable risks. Such steps may include the re-opening of the markets for copper and cotton, both of them dollar commodities. Free dealings in them would immediately involve selective but unconditional convertibility for the pound sterling used by merchants in these markets.

The final plunge into convertibility cannot be taken until full co-operation has been received from Western Europe and, above all, from the United States. One way in which American assistance might be forthcoming would be an increase in the world price for gold. The communique is silent on this issue though it is known to have occupied a great deal of the attention of the Conference.

The gold price proposal may be expected to form part of the general plan "to create the conditions for expanding world production and trade" which was hammered out at this conference. The precise nature of the "plan" is not divulged; but its aim is to restore balance in the economy of the world on the lines of "Trade not Aid". The efforts made by Britain during the Conference to seek greater freedom to raise its tariffs and widen preferences may seem somewhat at variance with this vision of a world of multilateral trade and payments; but this is one occasion on which superior wisdom on the part of the Dominions appears to have prevailed.

The "plan" now goes forward. It depends largely on the attitude of the United States whether it has a fair chance of being realised within the span of time that would interest the present generation. Given good will, political courage and wise statesmanship in the dollar and non-dollar worlds it could be realised within a year—but that is asking a great deal.

Much of the work of the Conference was devoted to the problem of Commonwealth development. A great deal of publicity has been secured for the new finance company which the City of London, under the leadership of the Bank of England, is launching to help such development. The Conference has brought no new schemes into being. It has merely given to the pursuit of existing plans a new sense of urgency. Nor will the new company of itself help the great work of mobilising the latest economic potential of the Commonwealth. That depends on the generation of savings and the accumulation of the necessary surpluses—not on the creation of new machinery. These basic truths are recognised by all concerned. It now rests with Britain to show the world whether she can live up to her traditional role of being the principal banker and investor in the Commonwealth.

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HONGKONG PRODUCTS EXHIBITION

Reviewing the welcoming speech made by Mr. Hui Ngok, Chairman of the Chinese Manufacturers' Union and His Excellency the Governor, Sir Alexander Grantham's address at the opening ceremony of the 10th Annual Exhibition of HK Products, one or two points of local interest call for comment. Mr. Hui stated that the Manufacturers' Union had changed their proposed plans for building a technical school as conditions had somewhat altered with the opening of the Government Technical School in Wanchai and the proposed establishment of a similar school in Kowloon. The Union now proposed to build a permanent hall for the display of Hongkong products.

Such a building would show all the latest types and categories of goods produced in the Colony by British, Chinese or foreign interests. This hall would permit the C.M.U. to collect and classify a full range of the manufactured goods of the Colony together with all relevant statistics and to hold special exhibitions from time to time of specific or related groups of industries.

While no criticism can be aimed at any proposal that might facilitate better trading, the Governor's reply indicated that "whilst there is much to be said for a permanent exhibition of Hongkong products at which potential buyers from overseas could at any time readily see what the Colony's industries had to offer," he thought the best answer might be to house such an exhibition which need be neither large nor lavish, in the proposed new City Hall. The City Hall would undoubtedly answer the purpose equally as well as the costly erection of a building for this purpose, and it should not be overlooked that the novelty, freshness and ingenuity displayed in the annual exhibition which is now a recognised feature of Hongkong, would be lost and with this loss the interest of visitors would inevitably wane. With this in view, it would seem that the first thought of the C.M.U. of aiding the youth of the Colony to acquire technical knowledge might be far more beneficial to future progress.

In all talks of trade promotion the lot of the cottage worker should not be overlooked. As His Excellency stated when speaking of the need for modern equipment, "In the textile industry in particular competition is especially strong and the smaller cottage type factories are likely to find it difficult to survive unless they are able to amalgamate and operate on sounder lines." Their survival is important and the textile industry in putting forward new plans for future development should bear this in mind.

ECONOMIC NEWS FROM AMERICA

By E. Kann (Los Angeles)

(Special to the Far Eastern Economic Review)

Financial Prose

The change from the democratic to the republican regime in the United States has proved a fillip to the country's economy. This is partly due to the creation of a change, but mainly to the general belief that the Republicans are conservatives and bent upon protecting the entrepreneur's interests.

The country's war economy vouchsafes a continuous streak of prosperity, not merely to industrialists, but equally so to their employees whose buying power is lifted by constant occupation. The same arguments relate to the huge agricultural population of America, especially since the new rulers have agreed to continue the same benevolent attitude vis-a-vis the farmers and their production.

This state of affairs does not mean that the United States is free of worries. The country displays anxiety, not because there is not enough to eat, but because it has too large surpluses in this regard. Disturbing thoughts do crop up in respect to industrial production; not because this country's production is too limited, but—on the contrary—because its output is shaping to be too extensive.

Actually industrial output is now at a post-war peak. The number of unemployed has receded to 1.3 million. The current boom relates to all kinds of commodities produced. In fact, orders are being placed faster than manufacturers can fill them. In the course of last September incoming orders exceeded deliveries by $300 million. Personal incomes have scarcely ever been as high as they are now.

Manufacturers of television sets cannot cope with growing demand, a state of affairs which they expect to continue at least during the first half of 1953. Steel output at record figures enables users of steel to step up schedules. Makers of appliances, as well as auto manufacturers, recently obtained much larger quantities of steel.

Though industrial turnovers have been larger during the first nine months of 1952, net profits were smaller, due mainly to high taxation. Yet, dividends for the same period exceeded last year's performance. This year's dividend disbursements for the first ten months aggregated about 6.3 billion dollars, which is 3% above the January-October period of 1951. The American oil industry paid 15% more in dividends than a year ago; but the much smaller textile and leather industries (both of which have fallen upon evil days) disbursed 18% less in dividends.

It is almost certain that two measures will be permitted to drop out when their maintenance expires: namely, price control which expires in April, 1953; and the excess profits tax, the law for which terminates end of coming June.

The problem when the boom is going to end is by no means overlooked by the multitude of people concerned. Defense spending (barring a hot war) is bound to be reduced by mid-1953. There is evidence that further huge extension of plant facilities is now being considered hesitatingly; homes are being built faster than tenants are made available. In other words, prosperity is nearing a peak. International commerce is divulging reductions. Though unfilled orders by the opening of October aggregated 75 billion dollars, caution is recommended when viewing the future.

British Columbia, a New Industrial Empire

The potential riches of B.C. were wellknown decades ago. However, lack of population there, combined with absence of enterprising capitalists, left the field fallow. During world war II certain industries sprung up there by

necessity, but it was not before 1951 that rapid and well-planned activity arose in British Columbia. But from then on industrial expansion has been so widespread, that it is difficult to grasp its significance. From 1951 on the district burst into a boom the echo of which emanating from Vancouver came back from New York. The following developments are some of the outstanding features which originated in 1951 in British Columbia:

The Aluminium Co. of Canada, Ltd. with its plant and city at Kitimat on the northern coast, began spending its first $200 million; but plans call for further $350 million capital expenditure.

The Transmountain Oil Pipe Line Co.'s engineers started the Vancouver-Edmonton line; capital investment is budgeted at $113 million.

The Celanese Corporation of America is another vast concern making B.C. a major base in 1951. This concern announced expansion of its $27 million high alpha pulp mill near Prince Rupert. From there the processed pulp will be shipped to a new plant near Edmonton where hundreds of articles (from fine yarns to chemicals) will be manufactured. In other parts of B.C. Celanese is building mills for the output of newsprint and kraft paper.

The vast stands of softwood, combined with the availability of hydro-electric power called for the enlargement of paper manufactures in B.C., a movement which spread from 1951 onward. Numerous new firms invested huge sums in the manufacture of wood pulp and paper there. More than $300 million was invested in this line.

Also in 1951 promising oil wells were discovered by the Pacific Petroleum Ltd. near Fort St. John. This was the first real oil flow in B.C.'s history; besides, to the find have been added potential natural gas discoveries. Since then everybody in Canada tried to acquire land there and drilling rights.

In the same year huge and valuable asbestos mines were found at McDame Creek, a short distance from the Alaska highway. Those deposits are of such high quality and of such an extent that several thousand persons are likely to found there a new city.

A large iron-ore mine also was opened in 1951 in B.C., namely on Quinsam Lake (Vancouver Island). The ore is now being consigned to Japan.

The powerful Consolidated Mining and Smelting Co. of Canada, Ltd. is embarked on a hydro-electric program on the Pend Oreille River. This means another $65 million invested in B.C.

Also in 1951 a number of tungsten, lead, zinc and other metal mines were inaugurated.

During last year new secondary companies (manufacturing and trading) were incorporated in B.C. with an authorized capital of over 123 million dollars. And the secondary industry then produced goods valued at $600 million.

These rapid developments were due and possible because B.C. is endowed with untold riches. It has the finest harbors, forests, mines and fishing crops, apart from almost untapped sources of hydro-electric power left on the continent. At present B.C. is using hardly more than 10% of its estimated electric power potential.

The Hydrogen Bomb

Do not expect me to tell you "all about it," for I know less than the average private citizen. But if I understand the situation correctly, it has not been established whether the recent explosion of a test bomb near Bikini was a hydrogen bomb, or an improved version of the atomic weapon. All that the world heard was from letters addressed by sailors to their kin, describing in awesome terms the breathtaking sensation subsequent to the witnessed explosion of the bomb; also the official statement relative to a rocky island which by the unimaginable heat literally was melted and has disappeared from the horizon.

What the average private citizen is interested in is more that the use of the hydrogen bomb for destructive war purposes should be avoided by all the nations concerned, for its application would blast away from the surface of the globe all civilization and all life. On the other hand, there is hope that the discovery of the hydrogen bomb might lead to such beneficial changes, that the entire concept of life would be radically changed and improved. It was with this aim in view that our excellent daily, the Los Angeles Times, recently saw fit to editorialize on this particular phase of the problem.

Says the journal: "It is a side which speaks, from what we can decipher of the marking, of a life far freer from daily cares than many of us had ever hoped to see in our life time." All this refers, of course, in time to peaceful and constructive applications. Man's ways of living, which had long lain neglected, have through the discovery of new sources of power been transformed and raised to higher levels. Coal, mined already in the 16th century in England, was then used for heating homes only. It took the genius of James Watt to actually harness the potential energy of coal with his invention of the condensing steam engine.

Watt's invention ushered in an industrial revolution, freed the shipping of the world from the vagaries of the wind, ultimately redounding to the benefit of all. Another source of power, petroleum, though known to humanity since the dawn of history, remained for centuries a curiosity. Then, in a crudely refined shape, it became a source of light. But it was not until the internal combustion engine had been developed that the true power of oil was tapped. Then it placed the world on wheels, gave men the ability to traverse the air and streak past the barrier of sound.

We are now indubitably in the same stage with regard to atomic power than our precursors were when they had to burn crude oil in sooty lamps. But nobody should doubt that the stupendous energy of the atom, which at present we dissipate in the particle of a second, like throwing a torch into an oil well, will one day provide such a source of energy as to change the entire world. The hydrogen reaction, which is infinitely mightier than the atomic power, will it remove mountain barriers for us? Will it provide propellants to take us to the moon and to the twinkling stars?

And if such a state of things should come about, what then will be the destiny of men? Let us suppose that hydrogen power could free the mind of man from labor, so he could use his mentality not in the repetitive task of filling his stomach, but in serious studies of the problems of good and evil, or whence he came and where he may be headed for? When first devised, the bow was used for kindling a fire or for slaughtering. The same applies to atom and hydrogen bombs. The choice lies between good and evil, an eternal problem. And the brightest prospect of the entire picture is that through the pain-wrecked centuries good has always stumbled to the fore, lamed and bloodied, but indestructible.

Items of General Interest

During October 54.6 million people were gainfully employed in this country, not inclusive of farm-labor. The total value of merchandise produced in the July-September

quarter of 1952 was at the annual rate of $343.4 billion; this result was achieved despite the 54-day long steel strike.

Backlogs for soft goods in September amounted to $3.4 billion, marking the fifth consecutive advance in non-durable lines.

Though not yet so far, the time when copper and aluminium prices might be decontrolled, such liberties are not in sight for nickel. The giant International Nickel Co., a $409 million concern, holds almost a monopoly, since it supplies 85% of the free world's nickel and, besides, digs more platinum than anyone else; finally it ranks amongst the four largest copper producers. International Nickel has a competitor, the Falconbridge Nickel Mines, Ltd., but this company's output is merely one-twelfth of the giant concern, INCO.

Lockheed Aircraft Co., besides paying its fourth quarterly dividend of 30 cents per common share (December 12), will distribute amongst stockholders a 10% stock dividend at the end of December.

The average number of employees of the United States Steel Co. during the third quarter of 1952 was 287,711, as compared with an average employment roll of 307,678 in the third quarter of 1951.

The number of Christmas cards, sent from and to the United States, and handled by postal employees of this country, is estimated at 3½ billion. In 1950 publishers of such greeting cards in USA saw a net of $200 million from retail sales: this year's revenues are estimated to top this figure by 25,000,000.

Republic Aviation Corporation declared a dividend of 75 cents, and besides a stock dividend of 10%. With the 50 cents previous dividend this makes in cash $1.25 for 1952.

In a recent report I mentioned that there are four large aluminum producers in America, one of whom, Anaconda, is not yet in full swing. Now a fifth recruit has appeared on the scene, namely Olin Industries projects to invest $170,000,000 in a 110,000 tons a year aluminium smelter and necessary facilities.

A judge in a traffic court in this country recently mentioned that most of the fatalities occur through speeding. He stated that a new apparatus, attached to the speedometer of the motor car, would—as soon as a speed of 70 miles per hour is reached—bring the melody of "I am nearer, my god, to thee." Sort of reminds me of a signboard posted along a highway in southern California, reading as follows: "Drive cautiously; no hospital ahead."

The United States Rubber Co. announces that it has developed a new tire for trucks which will give 41% longer service in its use.

Output of petroleum in the United States at this time exceeds demand. For this reason cutbacks have been ordered in certain districts. This does not, however, refer to California, since this state imports crude oil from Borneo, Sumatra and other foreign spots. Its own supplies are inadequate for consumption within this state and for the heavy requirements of the U.S. navy.

THE RICE PROBLEM IN INDONESIA

By an Indonesian Economist

There are few countries where rice plays so important a part as a general food requirement as it does in Indonesia. The increasing demand for it, and its inadequate production, have caused its provision to become a social problem of the utmost importance.

On account of the very considerable part played by rice in the social life of Indonesia, this food has gradually become a measuring rod applied to practically all other requirements. The relation between rice and prices, between rice and income, has become so close that even a minor fluctuation in the price of rice may bring about considerable disruptions in the social life of the people. It is for this reason that an appreciation of the factors that influence the price of rice is of great importance. By understanding these factors one may to a large extent approximate the solution of the rice problem.

The provision of rice began to be a problem in the years of the Japanese occupation. And this can readily be understood. Japan waged a war of life and death, and sent all food provisions it could manage to obtain to its fronts in the Pacific.

Upon the conclusion of the war the rice problem not only remained, but assumed an even more acute form. In the first few years after the end of the war this was but natural: the struggle then prevailing in this country frequently made of rice a political and military weapon, causing the function of, and consequently the demand for, rice to be enhanced, even though there was no corresponding offer that could take care of it.

After the formal transfer of sovereignty, however, when the fight for independence ended, the price of rice continued to advance: in fact it assumed hitherto unknown proportions. There were several areas in Indonesia where at that time the prices of rice had become 200 times those of before the war. True, the difficulties to be overcome in allocating its distribution, may account for some of it; the lack of transport facilities, and also the absence of peace and order, which may be regarded as primary conditions for a normal provision, made their influence felt. But, as will be seen in the sequence, they were not the principal factors.

Let us consider the rice provision prior to the war, when there was no rice problem, or if so, in its minor aspects only. Against a constant demand there was a fairly constant provision. The money then in circulation was adapted to the available means, so that a stable price of rice was obtained. The price of rice at that time was in reasonable proportion to the price level of other requirements. In those days Indonesia actually was in a position to pursue a rice policy which made it possible for it to export the better rice qualities, against which it could import cheaper rice from abroad. The fact that the rice price differed so greatly under almost identical conditions—obviously excepting the natural increase in population and the destructions caused by war and violence, and by the absence of law and order in more recent years—became a subject of searching analyses. It was expected that it would be possible to solve effectively the rice problem. But in analysing the causes of the price increase of rice many hitherto unknown factors came to light.

There were first of all the efforts to obtain accurate production and consumption data. It was found that no exact data were available. This had been in former times already a great difficulty with reference to the agrarian sector of

the population. There was the farmer's household, which was concerned primarily with providing for its own immediate requirements, in connection with which there was no western collateral idea relating to rights to the soil; and this by itself made it impossible to have a starting point on which to base exact calculations. The data available to the Government through its various Services, did not correspond to those obtained by private bodies or concerns. The result was that even in former times one had to rely on mere estimates.

According to data supplied by the Java Bank, the total production of hulled rice in 1940 amounted for Djawa & Madura to 4,484,000 tons; for 1950 the corresponding figure was 3,580,000 tons. This therefore indicates a regression of 904,000 tons.

After adding and subtracting various items covering imports from and exports to other countries and the outer islands, there remained for consumption in 1940 a quantity of 4,295,000 tons, and in 1950 a quantity of 3,637,000 tons.

Assuming that the population and the requirement remained the same, it will be necessary to import annually, for Djawa & Madura only, 658,000 tons of rice in order to satisfy the pre-war needs. But if we take into consideration the increase in population and also other factors such as destruction, the smuggling of rice out of the country, etc., then the annual shortage must be taken to be considerably greater.

The Ministry of Economic Affairs, working as it does with figures corresponding to the practical requirements, estimates the annual shortage for the whole of Indonesia at from 300,000 to 700,000 tons of hulled rice.

We must therefore assume that the rice production is greater, or else that the requirements have become less, having become centred upon other foodstuffs. The shortage, therefore, according to the data available to the Ministry, moves between two magnitudes.

Whether the consumption of rice is more or less in any one year depends, according to the Ministry of Economic Affairs, upon the individual physical requirements in such year, and upon the prevailing price fluctuations. The planning for the rice imports to provide for this year's requirements (1952) covers a quantity of 700,000 tons.

Then what causes the rice shortage to be greater? Here we find that the factors of allocation and stock formation play a part. The difficulty is that one does not know to what extent they do so. In this respect also one finds that exact figures are lacking. To mention a few items: it is not known exactly what proportion of the rice reaches the open market, what proportion is stored as reserve, what proportion is hulled, and furthermore what is the dislocation at the ports of entry to the interior (the minus areas).

Through the absence of peace and order the shipment of rice from the production areas or from the ports of entry to the minus areas has not proceeded as efficiently as under normal conditions. Partly also through lack of transport facilities and regular connections the shipments of rice have been more or less in the nature of incidental supplies. Rice was shipped as long as the risk of its transportation and the margin of profit allowed of it.

Another factor was the forming of stocks. The agricultural estates, by reason of the continuous demand by the labour employed to grant them social advantages—in connection with which these workers, in view of the prevailing costs, prefer rice to cash payments—in various areas have proceeded in one way or another to reserve and block the paddy harvest or the supplies. The Government, somewhat belated, put an end to this procedure, but without substituting another solution, so that the situation of the agricultural estates became still more difficult. This state of affairs has resulted in a further continuation of rice storing.

The fact that the farmer accumulates paddy as a liquid means for use as cash payment will naturally cause us to ask certain questions. Why paddy, and not money? This can be accounted for by certain rational and psychological factors. The farmer (or rather the peasant), knowing that his paddy will always be in demand in the market, and stocked by certain recent Government measures with reference to currency, prefers paddy to cash, for which reason he stores his paddy instead of bringing it to market.

Unfortunately the methods of paddy purchase applied have caused the farmer to regard paddy as something other than mere cash for days of difficulty. He has learnt to regard his paddy also as a means of obtaining profit, which caused him to stock it more excessively than was necessary in certain seasons. This latter tendency became more obvious whenever certain government measures, taken to regulate the market, caused marketing conditions to flag.

We have already made reference to the four factors that caused the prices of rice to increase, namely offer below the demand, absence of peace and order, difficulties in allocation, and the tendency to form stocks. But there is still another factor, a factor of considerable importance, closely related to the other four, although this relation is not as yet very clear. It is quite possible that this fifth factor is at the bottom of the rice problem.

This fifth factor is a financial one. Post-war Indonesia is characterized by a policy of credit expansion, as is the case in any other country after years of fighting and destruction. To reconstruct its severely damaged production apparatus Indonesia had to make great capital outlays. It could not obtain such capital from abroad. Also considerable capital had to be supplied for the importation from abroad of urgently required articles of consumption, seeing that in the first few years after the war the revolution here prevailing prevented a normal production. The quantity of money that was made available for the reconstruction and the replacement of the damaged production apparatus required additional supply when, at the end of Indonesia's struggle for freedom, the Government, wanting to reconstruct a national economy, took certain measures in connection with a credit policy which made the moneys available increase in volume. Against this cash increase we had here an offer of goods and supplies which in its principal sectors did not in any way come up to the pre-war level. Whereas this resulted in a general price increase, matters became more unfavourable still when the Government, trying to effect an internal stabilization, took certain measures of monetary policy intended to put an end to the prevailing inflationary tendency. Despite the fact that the Government measures ultimately produced to a certain extent the results so envisaged, they could not prevent that at the time of their promulgation they effected a price-disturbing result in the popular markets, all of which was reflected in the price of rice. And experience in Indonesia has taught us that an adaptation to a higher price level is generally much more constant than an adaptation to a low price level.

A sixth factor which may be contributing to a rise in prices is the effect produced by the lesser production of other countries. According to the data published by the Department of Agriculture of the United States of America, the average annual production of the Asiatic countries over the years 1935—1940 was 145,069,000 tons of hulled rice. Against this we find that the average production over 1950—1951 was only 143,390,000 tons, which indicates an average annual shortage of 1,679,000 tons. This decreasing produc-

tion against an increasing demand, which latter can be seen from the figures showing the increase in population of the various Asiatic countries, would naturally lead to higher prices of rice in the countries exporting this commodity. To this must further be added the aggravating relations of international policy, causing certain rice exporting countries to impede their rice export, which tends to interfere with the provision of rice to the world market. The United States, one of the world's greatest rice exporting countries, has advanced the price of its rice for commercial reasons, which fact largely influenced the price of rice in the countries of Asia.

The results of the higher rice prices prevailing abroad have been twofold for Indonesia. In the first place they stagnate the supply of rice to Indonesia, one of its most urgent needs for stabilizing its internal price level, while furthermore it stimulates the illegal export of rice from the surplus areas of Indonesia. This latter causes that quite often large areas of Indonesia, that formerly were known as surplus regions and where consequently the price of rice is minimal, are entirely without a rice supply.

As a last factor of importance we may refer to the great inequality of incomes in Indonesia. This inequality of income in the past, under the influence of the colonial relations then existing, obviously differed for the various groups of the population, producing in one group a relatively large accumulation of capital, and in another group, comprising the great mass of the population, a systematic withdrawal of capital. It so happens that the economic principle involved practically forces people to make use of and exploit their position of power, with the result that the group or the groups in which capital became concentrated seized hold of the relatively strongest economic weapon to satisfy a primary life requirement, in this case the rice supply. Thus we find, although it may not appear so on the surface, a flight into rice as a desirable object of speculation, especially when the textile prices tumbled, and people did not know how to invest their surplus cash.

In summarizing the causes of the increase in the price of rice we might add various others. But it suffices here to have enumerated the most important factors. All of them combined have had their effect upon the provision of a primary and necessary requirement. We would therefore consider the causes through which we are confronted with a rice problem, to be:

1. The lesser production of rice against an increasing demand. 2. The fact that peace and order have not yet been entirely restored. 3. Difficulties in allocating the supplies. 4. The tendency on the part of certain groups to hoard rice. 5. Expansion of the money circulation, and the possible effects of monetary measures upon the people's confidence in the currency, thus affecting the price of rice. 6. The effect of reduced production in other countries, and of the increase of the price of rice for reasons of trade policy. 7. The illegal export of rice caused by the higher prices of rice abroad. 8. The considerable inequality of income in Indonesia, which presents chances to speculate in rice.

POWER ALCOHOL IN EAST ASIA

The blending of alcohol made from domestic agricultural waste materials with conventional motor fuel used for automobiles was endorsed as a measure to save foreign currency in petrol-poor Asian countries, when a group of 30 Asian, European, and American agricultural and industrial experts and observers met in Lucknow (Northern India) under the United Nations auspices. The conference had been convened by the U.N. Economic Commission for Asia and the Far East and the U.N. Technical Assistance Administration to discuss certain technical and other questions concerning production and use of power alcohol.

Waste products especially from Asian sugar factories could be increasingly utilized for the production of power alcohol and the experts were of opinion that as part of long-range agricultural planning more land could be profitably brought under cultivation for the production of "alcohol crops" in general and tapioca in particular. Of the various raw materials considered molasses, a by-product of the sugar industry, appeared to be of greatest importance, because of its content of fermentable sugar and its relatively low cost. The experts drew particular attention to the potentialities of bagasse, another waste material of the sugar industry, from which paper, pressboards (an important raw material for the production of pre-fabricated houses) and newsprint, could be made. Bagasse is now mostly employed as fuel for raising steam and for generating power for sugar factories, but its value as a raw material for other purposes has not been fully appreciated yet. The experts recommended therefore that bagasse be diverted for the manufacture of fibre in countries with a considerable sugar industry.

In the interest of the conservation of slender coal resources the experts recommended the production of charcoal briquettes from farm waste, such as straw shells, corn cobs, and from the by-products of the lumber industry, especially wood chips and saw dust.

Production of power alcohol from cellulosic waste or wood, though technically possible, was not considered to be economical in the present circumstances, because of high capital and operational costs. Research in this field should however be undertaken more vigorously, it was felt, so that this type of production could be speedily introduced to provide a fuel substitute or supplement in the case of an emergency. The use of surplus bagasse from sugar factories would be an ideal raw material for a start in this direction.

Power Alcohol production in Asian countries

Among Asian countries, India has had most extensive experience in the production of power alcohol (annual production is about 6 to 7 million imperial gallons, representing some 3 to 4% of petrol imports). The Philippines has a prosperous alcohol industry and proposes to re-introduce the use of power alcohol some time next year. Present alcohol production in the Philippines is about 16 million imperial gallons. Korea makes a small amount of power alcohol from molasses imported from the Philippines, after having had to discontinue production from sweet potatoes now required for human consumption due to war emergency. Vietnam and Indonesia have no power alcohol industry, though alcohol is made for human consumption. Countries interested in launching power alcohol production are Pakistan and Indonesia.

Production of power alcohol has been a controversial subject in many countries for a number of reasons. Lately however, as was pointed out in a paper prepared for the Lucknow seminar "a considerable amount of work" has been done on the subject. The present situation appears

radically different from the past, when, to quote the same source, "lack of experience, particularly in the practical field, has sometimes deterred countries possessing the necessary potentials from undertaking the development of power alcohol, or in other cases, where such enterprise has not been lacking, the results have been indifferent". This paper also draws attention to previous experiences when "pioneer attempts to establish power alcohol alongside petroleum fuels have been far from easy" and it warns that "this may prove to be so again, especially where there is prejudice". These difficulties should prove less forbidding today when "newcomers to the field have much information and data to draw upon, and to guide them in their efforts".

To make use of this information as it is now available for the guidance of Asian countries was the purpose of the seminar. It enabled experts both from within Asia and outside to pool ideas, knowledge, and experiences, and to establish personal contacts that should prove helpful in their future work. The conclusion reached by the conference should be of assistance to countries intending to start production of power alcohol, and they should also prove useful to countries already producing power alcohol in overcoming some of the difficulties encountered.

Problems of Power Alcohol Production

Certain defects and disabilities hampering production and use of power alcohol in Asian countries were recognized by the experts. There were insufficiency of plants, insufficiency of raw materials, lack of modern "know how", resistance on the part of motorists to recognize that minor alterations, and adjustments to the fuel system of their cars would eliminate troubles blamed on to an alleged deficiency of the mixture. Specific difficulties as encountered in India, are described in the part dealing with conditions in India.

Tuning arrangements suggested to motorists using petrol alcohol mixtures, include initial cleaning of the petrol tank, adjusting of spark plugs, advancing of ignition, use of fuel pump diaphragms resistant to the mixture, and use of a metal float instead of a shellac impregnated cork float in the carburettor. The experts were at one on the opinion that a 20% petrol-alcohol mixture, was at least equal in engine performance to pure petrol and the majority held that this favourable comparison applied also to mileage performance. The U.S. expert stated there was no reason why power alcohol should not be used, and the Swedish expert reported that motorists in his country preferred the 25% mixture to pure petrol and gladly paid higher price for it. A similar account was given by the French expert.

The report agreed on by the experts on the last day of the seminar, observes in a general analysis of power alcohol that as straight fuel it has only 2/3 of the calorific value of petrol and would therefore give a lower mileage. Mixed with petrol, however, alcohol adds to petrol something more than calories: it raises the octane number of the mixture, secures greater efficiency and a smoother operation when the engine is approximately tuned. In addition, the presence of alcohol in the mixture helps to keep the engine free from carbon deposits.

In the view of the Indian experts the use of power alcohol/petrol mixture has "more or less established itself" in those parts of the country where it has been introduced (United Provinces and the State of Mysore and Hyderabad). Such complaints as were received came largely in the initial stages and after about six months of operation hardly any complaints were registered, it was stated. At the same time it was noticed that the reaction of the Indian motorists to the mixture was not as positive as that of the motoring public in Sweden, France and other countries.

Production of power alcohol in India began in 1938 and in 1945 it was recommended that annual output should be stepped up to 20 million gallons, this target to be reached within five years. Present installed production capacity is 12.7 million gallons, but actual production is only in the region of 6 to 7 million gallons. Production according to plan has still to develop in Madras and Bombay where it has not been possible to start it on an economic basis because of the high cost of transporting molasses from the far-away-sugar-producing parts of the country. The industry, though encouraged after much deliberation, appears to be still suffering from "several handicaps and bottlenecks". Distilleries in the United Provinces, the main sugar producing area, have been established "rather haphazardly" not always according to the availability of molasses. Too many of the units are situated on the metre-gauge railway and in out-of-the-way places, instead of being located at junctions of metre-gauge and broad-gauge lines. Extensive arrangements for transhipping of power alcohol from metre-gauge to broad-gauge tank wagons became necessary.

Other comments referred to "not always efficient conditions" of storage of the molasses, and the handling and processing. The capacity of distilleries in India did not always appear to be in a "rational relationship" to the amount of capital invested, with the result that depreciation and overhead expenses burdened unnecessarily production cost.

The present price of power alcohol in India is tied to the price of petrol which is an unhealthy situation in the view of some of the experts. A breakdown of the power alcohol price shows the following items:

	Rs.	As.	Ps.
Alcohol ex factory per gallon	0	14	0
Excise duty (same as on petrol)	0	15	9
Mixing and distribution charges	0	6	3
Transport charges to mixing depot	0	2	0
Total	2	6	-

The experts were of opinion that cost of production of alcohol might in fact be higher in certain localities than the price of petrol minus import duty and it was suggested that the price should be based on the fermentable sugar contents in the alcohol.

Petrol consumption in India has doubled since 1945 and now exceeds 200 million gallons. Power alcohol made from available molasses supplies yields some 6 to 7 million gallons. In these circumstances the original idea of enforcing the power alcohol scheme over the whole country had to be revised, and the present objective is to limit the use of the mixture to areas around the distilleries, where the entire production of power alcohol-molasses can be absorbed in the 20% blend. If the blend were to be introduced in the whole country, raw materials other than molasses would have to be investigated for additional use, such as tapioca, bagasse, wood waste, etc. Special interest was shown in this connection in the utilization of bagasse.

A power alcohol mixture is to be introduced in the Philippines beginning next year as a part of a 4-year programme during which power alcohol production is to be increased to 120 million litres (approximately 27 million gallons) annually. The mixture will have a 5% alcohol content in the first year, to be increased annually by 5% until it reaches 20%. The price of power alcohol is to be lower than the present petrol price. Molasses is to be used as raw material.

CEYLON'S FUTURE SUGAR INDUSTRY

The consumption of sugar by the 7,200,000 inhabitants of Ceylon has risen in recent years to over 100,000 tons a year. The provision of a home supply from lands being reclaimed under the Government's large resettlement scheme in the Northern Dry Zone, would make an important contribution to the country's economy.

A successful sugar industry in a new country needs not only favourable climate, soil and water conditions and the establishment of a factory, but considerable research to determine whether the crop can be grown profitably and efficiently. Java and Hawaii which have led in sugar-cane research, have led also in efficiency and in heavy yields. Ninety-nine percent of the cane plant consists of carbon, hydrogen and oxygen transformed into other substances by solar energy, and therefore water and the sun's radiation are of greater importance than the soil. Cane requires a definite dry period in order to mature, since, with a continuous supply of water, the plant continues growing and forms little sugar.

The soils in the Giritale area of the Northern Dry Zone belong to the group of reddish brown lateritic loams, and are considered by the expert to be well suited for sugar cane; they are, however, liable to loss of fertility, since they are not, like the volcanic soils of Java, constantly enriched by fertile silt suspended in the irrigation water. Therefore, owing to the limited water supply, and to the fact that much of this area will be exposed soils newly cleared of jungle, the experiments were arranged to cover fundamental problems of cane growing, that is, to determine the water requirements and fertilizer needs of cane, and to test varieties and cultivation methods.

The planting season for cane in Ceylon lasts from April to July, during which time a series of field experiments were laid out at the Polonaruwa Agricultural Experimental Farm, adjacent to the Giritale area still under jungle. Four types of experiments were used, a variety trial of six varieties, a planting time trial, a fertilizer trial using nitrogen, phosphate and potash, and a spacing trial. These are intended as permanent field experiments which will run for ten years or longer, and enable changing conditions, such as differences in fertilizer requirements, to be studied.

During the experiments a system of training was applied to local personnel. This method is known as growing "ideal cane" and disregards ordinary economic considerations, giving the cane all the fertilizers, water and cultivation that it needs. Thus the assistants become fully acquainted with the possibilities of cane, and learn to recognize a good crop. The methods are then simplified until an economical system is evolved for growing good cane in the particular region.

The chemical side of the research was used for maturity testing of different varieties which had been planted on different dates on 300 acres of land at the Farm. The ripening of the cane determines the duration of the crushing season, which in turn decides the capacity of the factory to be built.

The irrigation experiment which was started in July was of special importance because of the limited amount of water available in the Dry Zone. The local requirements of cane were determined by providing water from two calibrated tanks so that the quantities applied per irrigation and per plot were exactly known. In one treatment, water was supplied when soil moisture determinations showed that the permanent wilting point of the cane had been reached: in two other treatments, irrigation was delayed 5 to 10 days after the attainment of the wilting point. Growth of the cane ceases at the wilting point, but photo-synthesis continues, and since the industry is interested in sugar yield and not in the growth of the cane, a saving of water and labour can thus be made.

During the fertilizer experiments, the response to phosphorus and potassium was striking, possibly because deficiencies become more readily apparent when cane is grown experimentally under "ideal" conditions. Since the soils here have only recently been cleared of jungle, it is probable that these deficiencies will increase in the near future, and any large sugar cane enterprise must provide means of keeping up soil fertility.

Although the cane was grown under the most favorable conditions, the experiments clearly demonstrate that sugar can be efficiently and profitably grown at Polonaruwa and in the Northern Dry Zone of Ceylon.

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THE STORY OF THE B.O.A.C. COMET

The World's First Passenger Jetliner

The year 1952 will be memorable in aviation history as the "year of the Comet"—the year when B.O.A.C., as the first airline in the world to operate a pure-jet aircraft on regular service, gave Great Britain a lead over all other countries.

Introduced into passenger service by B.O.A.C. in May, within six months it was flying a weekly total of over 80,000 miles from Britain to and through Italy, Egypt, the Lebanon, the Sudan, Uganda, Rhodesia, South Africa, Pakistan, India, Ceylon, Siam, Burma and Malaya, while a proving flight had also taken it as far as Japan.

The fascinating story of the Comet jetliner began in 1943 when the de Havilland Aircraft Co. first investigated the possibilities of the use of jet propulsion for civil flying. When the wartime Brabazon Committee, appointed to study Britain's post-war civil airliner requirements, made its recommendations—and during the war B.O.A.C. was already closely interested in the project—it was found that the preliminary work by de Havillands was in step with the requirements for an aircraft of this description envisaged by the Committee.

Work on the project—which became the DH.106—went ahead, and in 1947 British Overseas Airways Corporation and British South American Airways demonstrated their confidence in this revolutionary design by placing orders "off the drawing board". Originally eight Comets were on order for B.O.A.C. and six for B.S.A.A. When the two airlines were merged in 1949 B.O.A.C. took over the whole order of 14—an order subsequently increased to 20—nine Comet Is and eleven Comet IIs.

The first Comet was wheeled from the de Havilland assembly shop at Hatfield, Herts., England on 25th July, 1949. It made its first tentative "hop" from the ground on 27th July, and later that day John Cunningham, the de Havilland chief test pilot took the world's first pure-jet-propelled civil airliner into the air and climbed to 10,000 feet. He flew the aircraft for 31 minutes before bringing it down on to the runway to end an historic and significant flight.

Intensive test flying took place immediately and before the end of the year the Comet made several overseas flights. In December the manufacturers stated that the flying trials had shown that the aircraft was capable of cruising up to 490 miles an hour with an all-up weight of 105,000 lbs and a capacity pay-load—as a 36 seater—of 12,000 lbs. The normal operating height was 35,000 to 40,000 ft, nearly eight miles above the earth.

The Comet has a wing span of 115 feet and the length of the fuselage is 93 feet. A low wing cantilever monoplane, this Series I aircraft is powered by four de Havilland Ghost jet engines each of which gives 5,000 lbs static thrust for take-off at 10,250 r.p.m. The maximum horse-power produced by the four turbines at sea level is about the same as the total horse-power of the turbines of the "Aquitania". Conventional piston engines developing an equivalent total power output would weigh as much as the complete Comet!

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The keynote of the Comet, both from the point of view of the engines and of the controls on the flight deck is simplicity. This means economy and ease of operation. The single-sided centrifugal impeller jet engine, such as the Ghost, is simple and easy to maintain. Only two bearings are necessary to carry the main rotating assembly of each Ghost engine and the consumption of lubrication oil is low. Between them the four Ghosts of the Comet consume four pints of oil an hour—a thousand miles to the gallon!

The development of the more powerful Rolls Royce Avon jet engine opened up the prospect of an even better performance for the aircraft and it was decided that B.O.A.C.'s first nine Comets should be Ghost powered, and that the remaining eleven—the Series II—should have the Avon engine. The initial flight of the Avon Comet was on 16th February, 1952. Delivery to the Corporation of these Series II aircraft is expected in 1953 or 1954.

Overseas Development Flights

The first overseas development flight undertaken by the B.O.A.C. Comet Unit left London Airport on 24th May, 1951. This was to Rome and Cairo. Piloted by Captain E. E. Rodley, the jetliner covered the 927 miles between London and Rome in just over two hours' flying time. The complete journey from London to Cairo, a distance of 2,415 miles, was made in a total flying time of 5 hours 22 minutes. No specific attempt was being made to establish fast flying times as the object of the journey was to test air traffic controls, operating techniques, meteorological conditions, and radio and radar navigation aids.

By the middle of October 1951, when this aircraft was returned to the manufacturers, the Corporation had flown it for a total of approximately 470 hours and had made 12 overseas development flights. One of these was to Johannesburg and another to Singapore. The aircraft also visited many airports in the Middle East, the Persian Gulf area, Pakistan, India and Africa. In order to enable aircrew training to be carried out by the Corporation one of the production models was then loaned to B.O.A.C. by de Havillands in advance of contract delivery.

A series of training and familiarisation flights on the Johannesburg route was started in January 1952. In addition to crew training and route familiarisation, these flights gave ground staffs at intermediate stops the opportunity thoroughly to rehearse the refuelling and other procedures which have to be carried out on the ground as quickly as possible. Another important object of the flights was the collection of data required to plan schedules and confirm operating techniques. The pattern of a normal Comet flight is threefold—the climb, occupying approximately 35 minutes, to the most economical cruising altitude for jet engines, about 35,000—40,000 feet; the cruise itself, a very gradual climb on cruising power as weight is reduced by the consumption of fuel; and the descent, which normally begins some 200 miles from destination.

The Importance of Weather Forecasts

The Comet Unit has given particular attention to the question of meteorological conditions at high altitude and the forecasting of them by the various authorities along the Comet routes. Upper air forecasting has not in the past received much attention outside Europe, as there has been little need for it, but the economics of Comet operation make reliable forecasting essential. Although the necessity for a

jet aircraft to fly at the economical cruising altitude makes for less operational flexibility, as it is not usually practicable to vary altitude to take advantage of favourable winds, forecasts of wind direction and strength are necessary so that the duration and other details of the flight may be planned with accuracy.

The Comet unit has found the prevalence of jet streams an interesting but not a serious problem. These are streams of air travelling at very high speeds, sometimes at over 150 miles an hour. Those encountered by the Comet have usually been found to be comparatively narrow and soon traversed. Turbulent air conditions are not necessarily associated with them; in fact, the Comet offers a much smoother flight, with less vibration, than has hitherto been possible with piston-engined airliners. Nevertheless it is important that aircrews should have accurate knowledge of the location and direction of jet streams, to enable them to prepare their flight plans. It is of particular importance that the Captain of an aircraft flying at the Comet's speed and height should know the exact point at which to begin his descent—probably some 200 miles from his destination—and that air traffic control arrangements are geared for an expeditious approach.

Opening of the World's First Jetliner Services

There were 17 Comet crew familiarisation flights between London and Johannesburg before the great milestone in civil aviation was reached when B.O.A.C. introduced the world's first regular passenger jetliner service on that route on 2nd May, 1952. The Corporation had by then taken delivery of four of these revolutionary aircraft. A fifth, which had previously been loaned to the Corporation for crew training, was delivered later in the month. During May there was one Comet service a week in each direction between London and Johannesburg on a schedule giving a total elapsed time on the 6,724-mile journey of 23 hours 40 minutes and a flying time of 18 hours 40 minutes. The frequency of this service was increased to three a week in each direction in June.

At first the route was through Beirut in the Lebanon but as Cairo returned to more normal conditions after the unsettled state of affairs earlier in the year, two of the services were operated through Egypt. This had the effect of still further reducing the scheduled times and today the overall time for the London-Johannesburg flight through Cairo is 21 hours 40 minutes, only 17 hours of which is spent in the air. The Hermes aircraft which B.O.A.C. operated to Johannesburg on the West Africa route took an overall time of 32 hours 25 minutes, 27 hours 55 minutes of which was spent in the air.

The Comet route to Johannesburg is through Rome, Cairo or Beirut, Khartoum, Entebbe and Livingstone.

On 15th May, 1952, a fortnight after the introduction of the Johannesburg service, the B.O.A.C. Comet Fleet—as the Comet Unit has become—started a series of 18 development and training flights through Pakistan and India to Singapore, taking in Ceylon on the return journey.

On 11th August B.O.A.C. began a once-weekly Comet service along the 6,000-mile route to Ceylon by way of Rome, Beirut, Bahrain, Karachi and Bombay. The flight to Colombo occupied a total time of 20½ hours, the flying time being 15½ hours, compared with the Argonaut aircraft times of 33¾ and 27¾ hours. Thus Ceylon, like South Africa, was brought to within well under a day's journey from London.

The world's third jetliner route was inaugurated by B.O.A.C. on 14th October, when the Comet began a service between London and Singapore. The Comet reaches Singapore in a total elapsed time of 27¼ hours (of which 20¼ hours are spent in the air) by way of Rome, Cairo, Bahrain, Karachi, Calcutta, Rangoon and Bangkok—a total distance of 7,761 miles—compared with 58½ hours and 34 hours 20 minutes which the Argonauts required previously. On the return flight, which occupies a total of 34 hours 20 minutes (flying time 26 hours 20 minutes) the Comet makes a call at Delhi. The frequency of this new service was increased to twice-weekly on 31st October. The second weekly service follows a slightly different route.

A New Space-Time Concept

The substantial reduction in flying times on routes operated by the Comet gives air travellers an entirely new space-time concept. This, however, is not the only novel aspect of flight in the aircraft. At heights of 35,000 feet and above, the blue of the sky is much darker than it is at ground level. The apparent darkness of the sky at great altitudes is caused by the absence from the air of the dust particles which reflect light at lower altitudes. New realms of beauty—hitherto unimagined vistas of cloud effects and sky colouring are therefore opened for Comet passengers.

Because of the sky colouring—it may be said that the Comet flies under a bowl of night—the "ceilings" in the aircraft have been made of a material light in colour to reflect in the cabin the light which comes up from the clouds below. The colour scheme is pale grey vyanide from the skirting upwards, with Corporation blue carpets and chairs. Each seat has an individual reading light and there is general panel lighting in the ceiling.

The B.O.A.C. Ghost Comets are each designed to accommodate 36 passengers. Immediately behind the flight deck is the pantry and a spacious freight compartment. Aft of this is a cabin for eight people at two tables and behind is the main cabin with accommodation for 28 passengers, the seats being arranged in seven rows of four—two each side of the central aisle. At the rear of the main cabin is the attractive vestibule and passenger entrance door. The vestibule is flanked by wardrobe and baggage compartments tastefully designed in light wood panelling and with full-length sliding curtains in Corporation blue. At the rear of the aircraft are the ladies' powder room, attractively finished in pale pink, and the gentlemen's dressing room.

Comet II and III

Now that the nine Series I Comets ordered by B.O.A.C. have been delivered, plans are being made to complete the Corporation's operational programme for these aircraft with the introduction of a service to Tokyo in 1953.

The next stage in B.O.A.C.'s scheme for the operation of Comet aircraft will be reached with the delivery—expected to begin in 1953—of the Series II Comet, fitted with the more powerful Rolls Royce Avon engines. It is intended to introduce these 44-seater aircraft on B.O.A.C.'s route from Britain to South America, and at the same time the Corporation will begin exploration of the upper air over the North Atlantic to determine the aircraft potentialities for North Atlantic flying with pure-jet civil aircraft. Very little is known about meteorological conditions at altitudes of

35,000—40,000 feet over the North Atlantic, where the Comet would fly, and a careful study of these conditions will be necessary before a Comet service between Britain and North America can be introduced.

B.O.A.C. is also co-operating with de Havillands on the specification for the Comet III aircraft, which is to be a much larger and longer range version than its predecessors. The Corporation has acquired an option on ten Comet III's.

The Series III Comet, now in an advanced stage of design, represents a logical development of the basic conception of the Series I Comet which already is proving itself to be popular, dependable and satisfactory. The Series III, the manufacturers say, will be an enlarged version of the original and will incorporate lessons and experience gained with the earlier Comets.

The Series III Comet will have an all-up weight of about 145,000 lb. The four engines will be a civil version of the Rolls Royce Avon, giving 9,000 lb static thrust, and the cruising speed will be at least 500 m.p.h.

Interior accommodation will provide alternative seating arrangements for up to 58 first-class passengers or for up to 78 tourist-class passengers.

The practical stage length, taking into account fuel reserves for climb, descent, headwinds, stand-off and diversions, will be about 60 per cent greater than that of the Series I Comet.

The de Havilland Aircraft Company state that the Series III development aircraft is expected to fly in 1954 and the first production aircraft should begin to appear late in 1956.

THE SCANDINAVIAN AIRLINES SYSTEM

The story of Scandinavian cooperation in the air goes back to before the war. In 1939, plans for a "Scandinavian Air Union" were ready, when the war stopped all further efforts for a time. Through Sweden, the work was retackled already during the later stages of the war, and in 1946 the consortium Scandinavian Airlines System was formed by the three national airlines of Denmark, Norway and Sweden.

The first consortium SAS operated routes to North and South America and to the Far East. In 1948, the cooperation was extended also to the European route net of the three carriers, and in 1951 a new consortium agreement was signed, with retroactive effect from October 1st, 1950, according to which the three national airlines became holding partners in the new organisation which took over operations over the entire net of lines.

Denmark, Norway, and Sweden respectively hold 2/7, 2/7 and 3/7 of the consortium's capital, but have joint liability towards third parties. Profit and loss are shared according to the same formula.

The board of SAS consists of the boards of the three partners, but with only six voting members from each country. An executive committee of six members, elected from inside the combined board, and with two representatives from each country administrate the board's running affairs, while the consortium's management consist of a president and two executive vice presidents. Seven vice presidents are responsible for the following functions: Sales, Traffic, Finance, Economics, Operations, European, and Overseas Affairs.

ABA—Swedish Air Lines: The first Swedish airline was established in February 1919 as Svenska Lufttrafikbolaget, and operated 1920-1921 to Estonia and Germany. For a short period from 1919 two other Swedish airlines were operating.

The present Swedish Air Lines, A.B. Aerotransport, was founded in 1924 on March 27 by Captain Carl Florman. The first passenger flight took place on June 2 the same year on the run Stockholm—Helsinki, and the plane was a Junkers F 13 on floats. In 1939 ABA flew on a number of European capitals, among others Moscow (in pool traffic with Aeroflot). When war broke out, most of the routes had to be cancelled. Of the few left, the most interesting and difficult, was the socalled courier-line to England. 4 months after the end of hostilities, ABA was in full swing with routes on 14 countries. On August 1, 1946, the Swedish Intercontinental Airlines, later amalgamated with ABA, took up partnership in SAS with a 3/7 part. Capital S. Crws. 67,500,000, 50% public, 50% private.

DDL—Danish Air Lines: Det Danske Luftfartselskab A.S. was founded by the sculptor Willie Wulff in 1918 on October 29, and is thus the oldest airline in the world, the next oldest in Europe being organized on October 6, 1919, and in America in the Spring of 1919 (SCADTA, Colombia). Its first scheduled route was flown with a Friedrichshafen hydroplane on August 7, 1920 from Copenhagen to Warnemunde. The same year a route to Hamburg was opened with a de Havilland DH-9.

In 1937, control passed from the State (which had had a majority of the shares) into private hands. The State and Copenhagen municipality kept ca.17% of the capital of 30 million D.Crws.

When Denmark was occupied, most of the company's activities were curtailed, but later routes were opened to the isolated Danish island Bornholm in the Baltic, to Malmoe, and to Berlin, Munich and Vienna. Immediately after the occupation, DDL started expanding and ran routes to a number of countries, when she took up partnership in SAS in August 1946 with 2/7 part. Capital D.Crws. 36,500,000, 50% public, 50% private.

DNL—Norwegian Air Lines: The first Norwegian airline was established in 1918 as Det Norske Luftfartsrederi A.S. It flew 20,000 kms with mail, but was liquidated in 1920.

In 1927, a new company was formed, Det Norske Luftfartselskap A.S., but did not commence actual operations until 1935. During the five operational years until the Germans invaded Norway, in all 2,199,074 kms were flown. Total number of passengers was 21,376, and the amounts of freight and mail were 144,621 kgs and 478,081 kgs respectively. The fleet consisted of 3 JU-52's and 1 JU-W 34.

The company's activities were completely curtailed by the Germans who requisitioned fleet and facilities. In 1943, the Norwegian Government, then in London, established the Royal Norwegian Air Transport Board for the purpose of preparing Norwegian postwar civil aviation. On April 1, 1946, a new DNL started its operations. On March 28 the company was granted a twenty year concession from 1.6.1946 to operate all main domestic and international routes to and from Norway.

On August 1, 1946, DNL took up partnership in SAS. DNL holds a 2/7 part in this undertaking. Capital N.Crws. 30,000,000, of which 50% is public, 50% private.

The Scandinavian Airlines System of today has 46 routes serving 37 countries and 67 cities. Of these 3 countries are Scandinavian, 14 European and 20 Extra-European; 23 cities are Scandinavian, 25 European and 19 Extra-European. Of the 46 routes operated, 18 are domestic, 19 European and 9 Extra-European. The length of the route net is 88,500 kilometers, or 54,000 miles.

SAS TOURIST CLASS ON EUROPEAN ROUTES AND ROUTES TO THE EAST

Tourist Class services on all routes in Europe and between Europe and the East will be the big feature of Scandinavian Airlines System's programme for 1953.

Continuing its policy of making air transportation available to as many income groups as possible, SAS will introduce considerable fare cuts as from April 1, 1953. The decisions which enable the company to extend its tourist class services were taken at the recent conference in Cannes of the International Air Transport Association (IATA) of which body SAS's mother companies are among the oldest members.

In anticipation of the possibility of extending the number of tourist class services, SAS already by the middle of 1952 started converting its fleet to the needs of the new class. As from April 1, 1953, the company's Douglas DC-6 Bs will be operated with about 75 seats, the DC-6's with 60, and the DC-4's with at least 55 seats.

It is probable that SAS will introduce a two-class system on its DC-6 B's and DC-6's. First class passengers will be accommodated in the aft, tourist class passengers in the forward cabins. All routes beyond the Pyrenees and the Alps will be operated with planes of the types DC-6 or DC-6 B. Technical maintenance and service on the SAS fleet is, of course, identical for tourist class as for first class planes.

At the same time as it was decided to introduce tourist class services in Europe, it was found possible to streamline the fare levels. These had for a number of reasons hitherto differed to some extent among various areas in Europe. This explains the fact that fare reductions from first to tourist class are not uniform and vary from 12½ to 34%. The average reduction will amount to 15-20%.

This means that on still more medium-distance routes, air fares become more and more competitive with ship and rail transportation. On certain routes, air fares are level with ship and rail fares.

All the SAS tourist class services will be operated during the day hours apart from the new line Copenhagen-Nice-Rome, which will operate as a night tourist service. In addition to the day tourist services, SAS will continue to operate the night tourist services between Stockholm-Copenhagen and Paris, the well-known "Night Parisian," between Stockholm and Helsinki, and between Scandinavia and Amsterdam, Brussels, and will further establish a new night tourist service between Scandinavia and Zurich.

It is expected that tourist class passengers will soon become the majority of all airline passengers. In order to avoid an unnecessary administrative apparatus, meal prices will from April 1, 1953, be included in the fare also on the tourist class on all routes. Meals will be comparatively simple, but of course of the usual SAS quality, and will comprise also coffee, tea, or mineral water. No alcoholic beverages are included in the fare, but drinks, beverages, and cigarettes, may be purchased at fixed prices.

As of October 1, 1953, tourist class services will also be introduced on the SAS trunk routes to South Africa and India and Pakistan. By then, the only SAS routes without tourist class will be those between Scandinavia and South America, respectively the sector between India and Japan on the Far East line. The tourist class service on the North Atlantic, "The Globetrotter," will, of course, continue operating.

From April 1, 1954, SAS will extend tourist class operations on the Far East route all the way to Tokyo. At the same time, the carriers operating across the Pacific Ocean will introduce tourist class service. This means that as from April 1, 1954, tourist class service has been established around the world.

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TENTH ANNUAL EXHIBITION OF HONGKONG PRODUCTS

The fact that during the first ten months of this year no less than a quarter of Hongkong's exports were locally produced was emphasised by His Excellency the Governor, Sir Alexander Grantham, G.C.M.G., commenting on the increasing importance of local industries when opening the Tenth Annual Exhibition of Hongkong Products in Kowloon. At the same time, Sir Alexander exhorted manufacturers to maintain their high standards of quality which, he said, should be jealously guarded.

This year's Exhibition is regarded as an improvement on last year's most successful Fair, there being a record of 422 stands—over 60 more than in 1951. The products of 156 local manufacturers were on display.

A special innovation at this year's Exhibition was the stand devoted to locally produced Coronation souvenirs where a unique range of practical and ornamental goods—chiefly made for export—was to be seen. All souvenirs were approved by the official Coronation Souvenirs Sub-Committee in Hongkong.

In his opening speech of welcome, Mr. Hui Ngok, Chairman of the Chinese Manufacturers' Union said: "It is twelve months ago almost to the day since the 9th Exhibition was opened by the Right Honourable Oliver Lyttelton, Her Majesty's principal Secretary of State for the Colonies. During these last twelve months there have been a number of world incidents which seemed to threaten the economic equilibrium of the Colony and we have all had some anxious moments. One or two members of our Union have, it is true, become victims to circumstances but on the whole Hongkong industries have advanced over the whole front in their two-pronged drive towards its goal of highest quality and lowest cost.

"We, members of the manufacturing fraternity, are not unmindful of our responsibilities to the cause of the Colony's economic well-being, especially now that world conditions no longer permit Hongkong to depend on its entrepot trade as the main prop of our economy. World markets nowadays are highly competitive and despite our high quality and low cost there remains the all important question of sales promotion and we must, therefore, grasp every opportunity to make our products known to the consuming public here and abroad.

"This year our 10th Exhibition is larger than ever. Sixty-two stalls have been added to bring the total to four hundred and twenty-two stall-units, each unit being just as spacious as in former years. There is the Coronation Souvenirs Display Section which is a special feature of this year's Exhibition. A full and comprehensive assembly of sample souvenirs produced in the Colony to commemorate the Coronation of Her Majesty Elizabeth II next June will be on display.

"During the year under review members of the Chinese Manufacturers' Union participated in the British Industries Fair and in the Taiwan Trade Exhibition, with gratifying results. For the coming year our members are making definite arrangements to take part in the Coronation Year British Industries Fair, the Philippines International Trade Fair, and the Utrecht Industrial Fair of the Netherlands. We are also organizing an exclusively Hongkong Products Exhibition in Singapore and another in Djakarta.

"In the near future we hope to provide a much needed amenity to the Colony. We have made official contacts with various government departments in regard to the building of a Permanent Exhibition Hall to display Hongkong Products and, if we are given the help and approval of the Authorities we shall push ahead with our plans. It will house a permanent and comprehensive display of all the latest types and categories of goods produced in the Colony by British, Chinese, or foreign interests. The Exhibition Hall will permit the Manufacturers' Union to collect and classify a full range of the manufactured goods of the Colony together with all relevant statistics and to hold special exhibitions from time to time of specific or related groups of industries.

"In regard to the technical school formerly proposed by the Union, we think that conditions have somewhat changed. The Government Technical School in Wanchai is running with admirable efficiency and I am given to understand that it will soon add a number of new courses to train more workers suitable for Hongkong industries, and we understand that another school of similar nature will soon be established in Kowloon. With these two schools running, large numbers of technicians, foremen, and specialized workers will be able to join our factories each year. We feel, however, that quite a few of the Colony's Chinese middle schools have an inadequate syllabus for certain essential and fundamental subjects, such as physics and chemistry. This is no doubt due to the lack of laboratory facilities but, as a basic knowledge of these subjects would be extremely useful to potential industrial workers, may we suggest, therefore, that suitably equipped physics and chemistry laboratories be provided and maintained by our educational authorities."

In his reply His Excellency the Governor, Sir Alexander Grantham said that the Annual Exhibition of Hongkong Products has a special interest and appeal for all residents of Hongkong, for it provides us with a unique opportunity to take stock of the development of local industry and to see for ourselves what progress has been made and what new ideas have been forthcoming. Many of us do not yet realise how many different types of goods are produced in Hongkong factories, nor how important a part of our economy industry has become. So far as this, the tenth, Exhibition is concerned, I think that we shall be pleased with what we see, for I am informed that there is a record number of stalls. This is heartening, especially at a time like the present when trading conditions are so difficult, particularly for us here in Hongkong, what with embargoes and international restrictions of one kind and another. Hongkong as we are always being told, and as I myself have said here previously, is primarily an entrepot. That still holds good. But our industries are of increasing importance, both absolutely and relatively, and the Colony's economic position would have been much more seriously affected but for the valuable part played by local industry. It is a startling fact that during the first ten months of this year no less than one quarter of our exports was of local products. Very few raw materials are produced locally and it is easy to see how important local industry is, not only to those directly engaged in it, but also to our merchants who import the necessary raw materials and market the finished products. Complete figures are not available but by far the biggest single export item amongst our local products is cotton yarn, 120 million dollars worth of which was shipped overseas between January and October this year. The cotton spinning industry is one of our most recent, but its development has been rapid and today there are more than 200,000 spindles in operation. I am pleased to learn that the spinners' exhibit will enable those, who have not seen the mills for themselves, to obtain a vivid impression of the processes involved in the production of yarn and of the modern and up-to-date machinery with which the mills are equipped. Next in importance is the knitting industry,

which has produced 80 million dollars worth of cotton singlets for export this year up to October. If we include 40 million dollars worth of shirts and 23 million dollars worth of locally woven cloth, the exports of the combined textile industry amount to more than 260 million dollars, which is a very impressive figure for a ten month period during which there has been a world wide reduction in demand, and as I have said, even these figures are not fully comprehensive ones. Some of our other industries have equally striking records. Enamelware and aluminiumware together accounted for 43 million dollars worth of exports and we have been producing for export 2 million torch cases, 5 million bulbs and 5 million batteries each month.

"In the years immediately after the war there was a world wide shortage of all forms of consumer goods, and marketing presented no serious problems. War damaged plants are now once more in full production and everywhere new and more modern factories have sprung up. The sellers' market has changed into a buyers' market and competition is fierce. Hongkong's interests as an entrepot preclude the possibility of any protection being given to local industry which must stand on its own feet against all competitors. Government assistance is necessarily limited to help in the procurement of raw materials and to the supply of advice and information about overseas markets. It is therefore of the utmost importance that our industries should have modern equipment, and be operated on the most efficient lines if they are to hold their own. In the textile industry in particular competition is especially strong and the smaller cottage type factories are likely to find it difficult to survive unless they are able to amalgamate and operate on sounder lines. In addition to modern equipment and efficient organisation, a high standard of quality must be maintained and jealously guarded. Incalculable harm can be done to Hongkong's good name as a manufacturing centre by a single shipment of faulty goods or goods which are not up to sample, and I strongly urge the Chinese Manufacturers' Union to use all means within its power to ensure that its members have their products adequately inspected before delivery and tested to see that they conform with any specifications prescribed. I have said all this before, but it is so important that I make no excuse for repeating it. It is said that the price of freedom is eternal vigilance. Of industry it might be said that the price of survival is eternal efficiency.

"This Exhibition has in the past been somewhat of a domestic affair, at which Hongkong products are displayed to the people of Hongkong. I note with pleasure that this year greater efforts are being made to attract overseas buyers. Such efforts deserve every encouragement, in view of the fact that many of our industries have their largest markets in the neighbouring territories of South East Asia. You referred in your speech, Sir, to the Chinese Manufacturers' Union building a permanent exhibition centre. Whilst I think there is much to be said for a permanent exhibition of Hongkong products, where potential buyers from overseas could at any time readily see what the Colony's industries had to offer, I think that the best answer might be to house such an exhibition, which need be neither large nor lavish, in the proposed new City Hall. We should of course also continue to publicise our goods in foreign markets by participating in trade and industrial exhibitions abroad; at the British Industries Fair in England, at Singapore, at Djakarta, at Manila; in fact wherever and whenever it is reasonably practicable for us to participate. We should of course remember that the main object of our participating in such exhibitions is not to make retail sales over the counter, but to attract wholesale orders.

"The Chinese Manufacturers' Union is a progressive and vigorous body of whom all of us in Hongkong may well be proud. We are also grateful to them for staging this exhibition, for it enables us to see and, I am sure, appreciate the considerable debt we owe to them for their enterprise."

Hongkong Statistical Reports

For October & January-October 1952

A summary is given below of various statistics issued by the HK Govt. for October 1952. The figures for September are given in the **Far Eastern Economic Review** of Nov. 20 (Vol. XIII, No. 21, p. 663).

Vital Statistics—Births registered in Oct. totalled 7516 (Chinese 7435, non-Ch. 81). For the period Jan.-Oct. the total was 57,927 (Ch. 57,271; non-Ch. 656).

Deaths numbered 1656 (Ch. 1645; non-Ch. 11). Jan.-Oct. total 16,252 (Ch. 16,108; non-Ch. 144).

Slaughter House—Animals slaughtered 63,682 (swine 62,190). Total Jan.-Oct. 564,830 (swine 554,120, sheep & goats 7847, cattle 2863).

Vegetable Market—Vegetables marketed at the Govt. wholesale vegetable market, Kowloon, 1864.91 tons. For Jan.-Oct. 35,889.99 t.

Fish—Fish marketed 3255.2 tons. Total Jan.-Oct. 26,953.5 tons.

General Post Office—Post Office Revenue $1,465,773.82 (sale of stamps $1.196,607.40; receipt stamps $192,-600). Total Jan.-Oct. $13,039,453.87 (sale of stamps $10,519,385.39; receipt stamps $1,831,527.3; stationery $665,-307.1; postage due labels $23,234.08).

Traffic Accidents & Casualties—Number of accidents 710 (HK 352; Kowloon & New Territories 358). Monthly average for 1951, 571. Total for Jan.-Oct. 6651 (HK 3434; K. & NT 3217).

Number of casualties 330 (HK 143; K & NT 187). Jan.-Oct. 3094 (HK 1194; K & NT 1900).

Vehicular Traffic—The number of vehicles & drivers licensed as at Oct. 31 was as follows:

Vehicles:	
Trams	117
Motor Cycles	1,027
Private Cars	10,809
Taxis	344
Public Hire Cars	283
Motor Buses	488
Public Commercial Lorries	1,400
Private Commercial Lorries	1,125
Govt. Cars & Lorries	766
Rickshaws (Private)	85
,, (Public)	853
Chairs	27
Tricycle (Goods)	806
Hand Trucks	3
Trailers	20
Drivers:	
Motor Drivers' Licences	37,108
Learners' Licences	—
Driving Tests	—
Rickshaw & Tricycle Drivers	4,351
Hand Truck Drivers	14

Cement—Production of cement during Oct. amounted to 3522 metric tons. Total output for Jan.-Oct. 58,858 metric tons.

Gas—Manufacture and distribution of gas in Oct. amounted to 46,379,300 cubic feet (domestic 40,911,400 cu. ft.; industrial 2,484,100; public lighting 2,983,800). Total for Jan.-Oct. 470,-880,100 cu. ft. (domestic 421,233,500; industrial 20,245,800; public lighting 29,400,800).

Building—New building construction in Oct. comprised 109 buildings costing $45,845,066 with site work $978,280. Average monthly cost of building in 1951 $6.5 million; in 1950 (Apr.-Dec.) $9.8 million. Total for Jan.-Oct. 1098 buildings costing $111,845,989 with site work $3,352,546.

HK Building Construction in Oct. & Jan.-Oct. 1952

	October 1952		
	No.	Cost $	Site Work $
City of Victoria:			
Offices & Shops	2	31,500,000	600,000
Houses & Flats	13	521,500	16,000
Other (incl. Mixed Accommodation)	7	5,296,148	—
Total	22	37,317,648	616,000
Island Outside City of Victoria:			
Offices & Shops	1	9,075	—
Houses & Flats	13	2,121,304	180,200
Other	2	378,598	15,000
Total	16	2,508,977	195,200
Kowloon & New Kowloon:			
Factories & Godowns	10	1,095,968	44,580
Offices & Shops	2	248,898	—
Houses & Flats	56	4,416,812	122,500
Other	3	256,763	—
Total	71	6,018,441	167,080
Total for October 1951:			
City of Victoria	22	37,317,648	616,000
Island outside City of Victoria	16	2,508,977	195,200
Kowloon & New Kowloon	71	6,018,441	167,080
Total	109	45,845,066	978,280
GRAND TOTAL JAN.-OCTOBER 1952:			
City of Victoria	167	47,219,913	959,158
Island outside City of Victoria	249	21,790,389	1,401,830
Kowloon & New Kowloon	682	42,835,687	991,558
Grand Total	1,098	111,845,989	3,352,546

HK Production of Electricity

	October Kw. Hrs.	1952 January-Oct. Kw. Hrs.
Lighting	9,542,646	91,729,486
Power	12,893,426	119,426,405
Traction	919,040	9,616,490
Bulk Supply Consumers	10,771,044	104,411,136
Public Lighting	182,160	1,711,140
Total	34,308,316	326,894,657

KOWLOON-CANTON RAILWAY (BRITISH SECTION)

Goods & Passenger Statistics

		October No.	1952 January-October No.
Passengers:	Local:		
	Upward	185,336	1,360,952
	Downward	152,065	1,319,170
	Concession Tickets	20,090	180,187
,,	Foreign:		
	Upward	—	—
	Downward	—	—
Goods:	Local:	Kgs.	Kgs.
	Upward	3,338,750	29,296,130
	Downward	21,943,360	140,819,940
,,	Foreign:		
	Upward	—	—
	Downward	—	—
Revenue:	Passengers:	H.K.$	H.K.$
	Local	260,355.25*	2,244,305.60†
	Foreign	—	—
,,	Goods:		
	Local	169,650.95	1,192,191.25
	Foreign	—	—
Miscellaneous Receipts		84,144.72	1,112,288.68

*Includes $ 20,201.25 (Concession Tickets).

†Includes $184,314.55 (Concession Tickets).

HONGKONG INDUSTRIAL REPORT

For November & Jan.-Nov. 1952

Factory Registrations—Applications received during November by the HK Dept. of Labour in respect to the registration of factories & workshops totalled 37 (HK 9, Kowloon & New Territories 28); registration certificates cancelled amounted to 9 (HK 2, K. & NT 7); applications refused or cancelled were 3 (1 and 2); illegal factories found & closed down 5 (2 & 3); registration certificates issued 23 (8 & 15).

For the 11 months Jan. 1 to Nov. 30 the figures were: applications received 264 (HK 77, K. & NT 187); registration certificates cancelled 152 (33 & 119); applications refused or cancelled 21 (9 & 12); illegal factories found & closed down 41 (15 & 26); registration certificates issued 300 (97 & 203).

As at Nov. 30 1952, factories & workshops registered totalled 1492 (HK 475 & K. & NT 1017); applications under consideration were 345 (115 & 230).

Among the factories & workshops recorded & registered in November were the following:

		M.	W.	Total
4	Weaving (Cotton)	153	39	192
3	Knitting	107	70	177
1	Enamelware	71	6	77
1	Radio Parts	25	25	50
2	Engineering	46	—	46
1	Camphorwood Boxes	32	—	32
1	Electro Plating	17	4	21
1	Garments & Shirts	11	10	21
2	Sawmills	17	—	17
2	Printing	15	—	15
1	Packing (Cargo)	8	4	12
1	Soap	5	5	10
1	Metalware	9	—	9
1	Gourmet Powder	4	2	6
1	Flour Mill	4	—	4
1	Dyeing	3	—	3
24	Total	527	165	692

Registered factories & workshops closing down in November were 9, i.e., 1 each Sawmill, knitting, rubber, weaving, gramophone records, beancurd, canned goods, press, metal stamping.

Industrial Accidents—Cases of industrial & occupational accidents reported in November numbered 43 involving 43 persons, with 4 fatalities. Of these 33 were in registered factories, with 2 fatalities.

The causes were as follows: machinery 17, of which 16 occurred in regist. factories or workshops; transport 2 (2 in regist. factories); explosions or fires 2, 1 fatal (1 in reg. fact.); poisonous, hot or corrosive substances 1 (1 in reg. fact.); fall of persons 6, 1 fatal (4, 1 fatal); falling objects 7, 2 fatal (1 fatal); fall of ground 3 (3); miscellaneous 5 (5 in reg. fact.).

HONGKONG'S TRADE WITH EAST ASIA

	Imports				Exports			
	October		1952 January-October		October		1952 January-October	
	$	% of Total Trade	$	% of Total Trade	$	% of Total Trade	$	% of Total Trade
Burma	1,708,816	.55	25,350,168	.82	2,217,571	.84	47,778,091	2.03
Ceylon	163,004	.05	1,839,684	.06	1,445,179	.55	7,510,175	.32
Indochina	1,609,493	.52	39,214,393	1.27	3,077,193	1.17	29,034,530	1.24
India	12,059,385	3.90	81,753,430	2.64	534,392	.20	10,579,907	.45
Pakistan	4,077,798	1.32	73,206,029	2.37	429,677	.16	51,743,171	2.20
Malaya	15,566,460	5.04	133,909,245	4.33	28,448,840	10.85	350,323,602	14.93
Philippines	1,610,084	.52	9,074,952	.29	4,133,165	1.58	34,727,954	1.48
Thailand	14,235,864	4.61	180,297,835	5.83	15,933,815	6.08	210,596,384	8.97
Indonesia	1,831,775	.59	22,540,659	.73	60,925,397	23.23	415,889,250	17.72
China (excl. Formosa)	74,683,644	24.17	657,215,128	21.26	53,828,400	20.53	372,988,131	15.89
Formosa	1,714,838	.55	39,678,483	1.28	15,975,637	6.09	171,426,451	7.30
North Korea	—	—	—	—	—	—	—	—
South Korea	786,577	.25	6,463,003	.21	1,506,368	.57	18,891,597	.80
Total Trade of Hongkong	308,996,667		3,090,543,319		262,227,179		2,346,809,886	

HONGKONG SHIPPING REPORTS

Ocean Steamers

For November 1952

	Arrivals				Departures			
	No.	Tonnage	Cargo	Passengers	No.	Tonnage	Cargo	Passengers
British	115	360,507	135,918	958	121	374,693	43,429	1,402
American	17	89,721	5,426	85	17	89,721	1,896	272
Chinese	9	6,650	7,222	—	14	11,032	10,100	—
Danish	13	47,173	5,690	44	12	42,507	3,910	9
Dutch	13	63,083	17,897	174	12	62,912	8,480	496
French	4	23,145	1,442	17	4	23,145	1,950	93
Indian	1	3,329	—	—	1	3,329	—	—
Italian	1	2,446	800	—	1	2,446	150	—
Japanese	9	28,469	11,485	—	9	28,469	1,780	4
Norwegian	33	79,194	53,267	220	31	78,670	24,468	235
Panamanian	15	14,730	17,707	11	15	17,476	10,661	5
Philippine	7	19,776	2,808	1	7	19,670	1,275	2
Swedish	6	15,609	2,741	5	6	15,609	2,418	19
Total Foreign	128	393,325	126,485	557	129	394,986	67,088	1,135
Total	243	753,832	262,403	1,515	250	769,679	110,517	2,537

River Steamers

British	91	72,985	826	26,875	90	72,702	2,594	26,154
Chinese	30	3,048	371	—	30	3,084	357	—
Total Foreign	30	3,048	371	—	30	3,084	357	—
Total	121	76,033	1,197	26,875	120	75,786	2,951	26,154

HONGKONG'S SHIPPING

Vessels (Ocean & River over 60 Tons Net) Entering & Clearing The Port of Hongkong

1952 January-October

	Entered		Cleared	
	No.	Tons	No.	Tons
British	2,586	4,421,609	2,582	4,399,020
American	137	722,750	139	723,092
Burmese	4	11,102	4	11,102
Chinese	218	119,405	219	129,200
Danish	134	478,831	136	484,685
Dutch	135	640,807	134	640,085
French	35	192,884	36	194,537
Finnish	1	5,412	1	5,412
Greek	3	14,334	3	14,334
Indian	1	4,463	1	4,463
Indonesian	1	2,090	—	—
Italian	7	31,529	7	31,529
Japanese	29	83,128	29	83,128
Liberian	2	4,710	2	4,710
Morrocan	2	8,686	2	8,686
Norwegian	334	856,455	334	858,477
Pakistani	17	53,889	16	52,742
Panamanian	138	231,951	136	225,091
Philippine	57	116,483	59	118,938
Portuguese	6	24,970	9	27,174
Swedish	59	176,821	60	181,028
Swiss	2	7,684	2	7,684
U.S.S.R.	1	1,852	1	1,852
Total	3,909	8,211,845	3,912	8,206,969

HONGKONG JUNKS

November 1952

Foreign Trade Conducted by Junks and Launches of 60 Registered Tons and under.

JUNKS

	No. of Vessels		Reg. Tonnage of Vessels		Dead Weight Tonnage of Cargo		No. of Passengers	
	In	Out	In	Out	In	Out	In	Out
November	895	890	63,766	63,098	35,748	7,559	—	—
October	800	805	57,347	57,706	35,676	4,850	—	—
	+95	+85	+6,419	+5,392	+72	+2,709	—	—

LAUNCHES

November	254	245	5,524	5,221	735	186	—	—
October	229	237	5,237	5,386	778	229	—	—
	+25	+8	+287	—165	—43	—43	—	—

Total Vessels entered & cleared October	2,071	125,676	N.R. Tons
" " " " November	2,284	137,609	
	+213	+11,933	
Total Cargo discharged & loaded October		41,533	D.W. Tons
" " " " November		44,228	
		+2,695	

Jan.-November 1952—Foreign Trade:
Vessels entered & cleared: 20,803 of 1,729,436 N.R. Tons.
Cargo discharged & loaded: 421,318 D.W. Tons.

Local Trade Conducted by Junks and Launches of 60 Registered Tons and under.

JUNKS

	No. of Vessels		Reg. Tonnage of Vessels		Dead Weight Tonnage of Cargo		No. of Passengers	
	In	Out	In	Out	In	Out	In	Out
November	1,330	1,346	55,110	59,841	40,650	6,853	4	—
October	1,260	1,279	54,977	59,744	38,414	7,463	53	50
	+70	+67	+133	+97	+2,236	—610	—49	—50

LAUNCHES

November	626	627	8,507	8,506	173	397	34,483	34,213
October	560	565	8,736	8,851	55	287	19,024	18,284
	+66	+62	—229	—345	+118	+110	+15,459	+15,929

Total Vessels entered & cleared October	3,664	132,308	N.R. Tons
" " " " November	3,929	131,964	
	+265	—344	
Total Cargo discharged & loaded October		46,219	D.W. Tons
" " " " November		48,073	
		+1,854	

Jan.-November 1952—Local Trade:
Vessels entered & cleared: 40,399 of 1,518,439 N.R. Tons.
Cargo discharged & loaded: 453,729 D.W. Tons.

HONGKONG OCEAN & RIVER PASSENGERS

January-November 1952

	Ocean		River	
1952:	In	Out	In	Out
January	1,626	3,007	29,118	34,542
Feb.	1,326	3,493	43,266	43,934
March	1,768	2,754	49,975	56,833
April	1,341	2,475	56,067	62,350
May	1,299	3,134	46,494	57,710
June	1,331	2,731	50,183	60,499
July	1,619	3,205	64,217	77,986
August	1,330	15,293	36,216	42,247
Sept.	1,850	2,929	41,610	43,411
Oct.	1,607	2,559	43,694	47,563
Nov.	1,515	2,537	26,875	26,154
Total	16,612	44,117	487,715	553,229

Total ocean passengers in & out 60,729; total river passengers 1,040,944; grand total 1,101,673.

Monthly Averages 1948-1951:—

Passengers:	1948	1949	1950	1951
Ocean In	23,583	21,952	10,331	2,871
" Out	19,547	21,564	9,066	4,532
River In	37,529	48,496	63,887	36,708
" Out	29,769	52,620	65,333	38,335

NOTICE

CHINA PROVIDENT LOAN & MORTGAGE CO., LTD.

Notice to Shareholders

FINAL CALL

In conformity with the requirements of Clause 19 of the Company's Articles of Association, NOTICE IS HEREBY GIVEN that the Final Call on the New Shares is due and payable on or before 31st December, 1952, at the Hongkong & Shanghai Banking Corporation, Hong Kong.

For and on behalf of:

CHINA PROVIDENT LOAN & MORTGAGE CO., LTD.

R. A. WICKERSON,
Managing Director.

Hongkong, 10th Dec., 1952.

HONGKONG OCEAN & RIVER SHIPPINC

January-November 1952

	Ocean Steamers				River Steamers			
	In	Out	In	Out	In	Out	In	Out
			Tonnage				Tonnage	
1952:								
January	222	230	662,302	675,315	154	152	118,838	119,484
February	206	207	631,427	641,052	148	151	106,748	106,496
March	227	231	657,271	663,490	159	156	114,925	113,523
April	226	226	641,811	659,656	170	171	153,304	154,739
May	253	247	774,375	745,538	113	115	121,378	122,763
June	247	246	694,034	686,102	160	159	139,360	138,408
July	220	232	699,047	710,869	189	187	154,990	153,749
August	244	235	722,208	705,887	151	151	105,425	104,571
Sept.	273	271	813,545	807,383	145	147	102,532	103,726
October	246	244	688,376	684,741	155	154	109,749	109,477
Nov.	243	250	753,832	769,679	121	120	76,033	75,786
Total	2,607	2,619	7,738,228	7,749,712	1,666	1,663	1,303,282	1,302,722

January-November 1952:

Total ocean steamers in & out 5,226; total river steamers 3,329; grand total 8,555.

Total ocean tonnage 15,487,940; total river steamer tonnage 2,606,004; grand total 18,093,944 tons.

Monthly Averages 1948-1951:

	Ocean Steamers				River Steamers			
	In	Out	In	Out	In	Out	In	Out
			Tonnage				Tonnage	
1948	236	234	659,582	651,394	298	300	122,834	123,338
1949	315	305	824,239	828,696	337	336	163,345	168,147
1950	283	284	763,702	769,097	277	277	207,847	207,465
1951	239	239	654,391	674,586	176	176	151,827	152,034

HONGKONG COMMERCIAL CARGO

By Ocean & River Steamer

January-November 1952

	Ocean Cargo		River Cargo	
	Discharged Tons	Loaded Tons	Discharged Tons	Loaded Tons
1952:				
January	232,978	140,639	2,952	2,903
February	225,088	107,279	2,357	2,617
March	228,982	114,396	2,068	2,563
April	267,114	93,158	2,306	2,722
May	310,546	106,728	4,188	2,792
June	254,279	112,668	2,161	2,383
July	193,054	106,487	2,491	2,839
August	224,447	118,648	1,579	3,657
September	252,476	115,517	1,942	3,306
October	182,495	118,595	896	3,392
November	262,403	110,517	1,197	2,951
Total	2,633,862	1,244,632	24,137	32,125

January-November 1952:

Total ocean cargo discharged & loaded 3,878,494 tons; total river cargo 56,262 tons; grand total 3,934,756 tons.

Monthly Averages 1947 to 1951 (in tons):

	1947	1948	1949	1950	1951
Ocean cargo discharged	187,552	193,416	272,418	311,160	259,735
„ „ loaded	71,047	87,849	128,034	185,732	139,513
River cargo discharged	7,488	9,042	8,291	7,893	3,352
„ „ loaded	7,369	7,456	10,404	8,943	7,321

Highest & lowest ocean cargo figures for 1948 to 1951 (in tons):

	1948	1949	1950	1951
Highest discharged	241,574 in Mar.	377,034 in Dec.	443,678 in Jan.	339,539 in May
„ loaded	122,684 in Dec.	158,697 in Sept.	228,730 in Dec.	199,610 in Feb.
Lowest discharged	138,922 in Nov.	179,805 in Feb.	252,428 in Aug.	208,717 in Nov.
„ loaded	57,988 in Oct.	16,461 in Feb.	123,112 in Feb.	104,071 in Sept.

FINANCE & COMMERCE

MALAYAN TRADE

Any attempt to analyse variations in the volume of domestic consumption in Malaya is made difficult by the considerable variations in stocks which are part and parcel of the extensive entrepot trade of Singapore. Keen competition and a remarkable adaptability of traders to promising lines outside their normal scope, must result to some extent in alternating glut and shortage. When irregularity of supply and uncertainty in shipping and control also exist, any normal tendency to variations in supply is exaggerated, and the resultant stock movements may be considerable. If, however, it is remembered that such stock variations exist, it is possible to use the figures of net imports of commodities as an indication of the broad movements in consumption and that for net exports as a corresponding indication of production variations.

Commodity	Unit of Quantity	Malayan Net Imports 1950	1951	Jan.-Sept. 1952
Aviation Spirit 100 Octane	Tons	28,614	46,575	28,466
Aviation Spirit Other Sorts	,,	—	—	7,519
Gas Oil, High Speed Diesel	,,	147,978	278,171	385,404
Motor Spirit	,,	175,457	250,384	201,157
Liquid Fuel	,,	645,836	1,035,120	1,125,130
Diesel Oil, other than Gas	,,	284,412	448,722	232,563
Kerosene	,,	59,564	6,759	28,451
Rice	,,	435,945	498,928	295,420
Cotton Piece Goods	Sq. Yds.	140,843,410	136,737,567	31,397,958
Iron and Steel Manufactures	Value	55,728,464	121,460,816	82,345,395
Cigarettes	Lbs.	14,318,666	17,077,413	12,798,218
Machinery	Value	55,807,972	80,541,266	93,457,918
Fish, Dried and Salted	Tons	6,668	9,347	2,937
Copra	,,	—	10,877	21,513
Milk, Sweetened Condensed	Cases	1,961,947	2,795,367	1,517,637
Sugar, Coarse and Refined	Tons	161,977	139,895	137,272
Coal	,,	93,626	151,266	154,580
Wheat Flour	,,	117,640	112,637	84,214
Fresh Fruits	,,	28,387	34,868	31,054
Cement	,,	258,014	295,794	299,710
Coffee, Raw	,,	2,109	2,076	3,452
Cotton Underwear	Value	14,712,412	27,056,036	6,788,115
Vegetables, Dried	Tons	15,097	21,204	13,684
Jelutong	,,	1,259	778	582
		Malayan Net Exports		
Rubber	,,	657,846	608,162	431,907
Aviation Spirit Other Sorts	,,	7,799	19,237	—
Copra	,,	5,921	—	—
Sago Flour and Pearl	,,	13,670	31,445	17,016
Pepper	,,	273	160	52
Tin (Blocks, Ingots, Bars or Slabs)	,,	81,777	64,954	48,984
Canned Pineapples	,,	14,666	16,858	8,601
Arecanuts	,,	14,867	13,547	7,407
Palm Oil	,,	50,638	45,022	33,241
Coconut Oil	,,	56,045	68,139	42,344

Malayan net imports of Cotton Piece Goods have decreased from 141 million square yards in 1950 to 137 million square yards in 1951 and to 31 million square yards for the first nine months of 1952.

Since there were considerable increases in stocks of textiles in the years 1950 and 1951, with substantial liquidation in 1952, these figures do not represent the actual decrease in local consumption. Local consumption has probably decreased from the all time high of 120 million square yards in 1951 to the equivalent of 100 million square yards in 1952, a level at which it stood in 1950.

Exports of textiles have, however, suffered a more severe setback. Exports from Singapore, for instance, have fallen from 202 million square yards in 1951 to 96 million in the first nine months of 1952, an equivalent annual rate of 128 million square yards. The corresponding figure for 1950 was 195 million square yards.

Net imports of all types of petroleum products continued to increase in the first nine months of 1952. The most significant increase occurs in the case of liquid fuel, where net imports amount to 1,125,130 tons for the nine month period compared to 1,035,120 tons for the complete year 1951 and 645,836 tons for 1950. Stock increases in the period have been small, so that the figure for net imports is a true reflection of increased consumption.

Net imports of Diesel Oil, particularly high speed diesel show increases in the period. Here, there has been some increase in stocks, but not sufficient to change the conclusion regarding increasing Malayan consumption of high speed diesel oil.

The consumption of Motor Spirit has increased from 175 thousand tons in 1950 to 250 thousand tons in 1951 and 201 thousand tons for the first nine months of 1952.

In 1950, net imports of iron and steel manufactures were valued at $56 million. In 1951, this had risen to $121 million, a rate which was only slightly reduced in 1952, when $82 million worth of iron and steel manufactures were imported in the first nine months.

The continuous improvement in exports is reflected in the value of Singapore exports from $11 million in 1950 to $22 million in 1951 and $23 million for the first nine months of 1952.

Machinery net imports show corresponding increases for the same period. Net imports for 1950 were valued at $56 million, but increased to $81 million for 1951 and $93 million for the first nine months of 1952.

Singapore exports of machinery do not show the same improvement as for general iron and steel manufactures, but exports at $12 million for the first nine months of 1952 are maintained at the same level as for 1951, when $16 million worth were exported.

The substantial increases in net imports of cement can be interpreted as a reflection of the increased new construction in the period. Against 258,000 tons in 1950, net imports in 1951 amounted to 296,000 tons and 300,000 tons for the first nine months of 1952.

Singapore exports in the period were relatively stable at around 11,000-12,000 tons.

The increased demand for fresh fruit of all types is shown in the steady increase in net imports from 28,000 tons in 1950 to 35,000 tons in 1951 and to 31,000 tons for the first nine months of 1952.

In view of the frequent gluts in the market which have been evident in 1952, it is probable that considerable spoilage has occurred and that the figures for consumption should be reduced accordingly.

The considerable decline in exports of rubber is obvious from the figures.

The impact of declining imports on the Singapore remilling industry has already been referred to in previous articles on the subject, and the equally important aspect of declining local production requires no emphasis. Net exports, which reflect exports of locally produced rubber, have in fact decreased from 608,000 tons in 1951 to 432,000 tons for the first nine months of 1952. On an equivalent annual basis, this amounts to a decrease of 32,000 tons per annum, and that at a time when rubber is fetching considerably less than it did in 1951.

Net exports of tin for the first nine months of 1952 at 49,000 tons are at approximately the same level as for 1951, when 65,000 tons were exported.

The figures for Singapore exports in the same period stress the important stabilising influence exerted by the entrepot trade on the general economy of the country. At a time of decreasing volume and prices for exports of local produce, the entrepot trade has been well maintained with the outstanding exception of textiles and rubber to which reference has already been made.

The comparative figures are given below.

Commodity	Unit of Quantity	Singapore Foreign Exports 1950	1951	Jan.-Sept. 1952
Rubber	Tons	655,023	750,222	412,487
Aviation Spirit 100 Octane	,,	59,944	76,880	53,584
Aviation Spirit Other Sorts	,,	20,941	49,737	33,977
Gas Oil, High Speed Diesel	,,	153,766	227,667	210,200
Motor Spirit	,,	507,559	593,972	545,352
Liquid Fuel	,,	573,974	374,385	304,837
Diesel Oil, other than Gas	,,	432,730	291,380	275,790
Kerosene	,,	104,936	133,646	160,515
Rice	,,	19,112	71,780	67,210
Cotton Piece Goods	Sq. Yds.	194,740,730	201,828,762	96,153,120
Iron and Steel Manufactures	Value	10,713,105	21,848,736	23,202,819
Cigarettes	Lbs.	3,596,870	5,206,546	3,000,315
Machinery	Value	10,138,778	16,246,739	12,376,832
Fish, Dried and Salted	Tons	14,775	30,563	30,213
Copra	,,	104,091	70,764	28,737
Milk, Sweetened Condensed	Cases	224,973	263,335	265,176
Sugar, Coarse and Refined	Tons	6,345	16,441	7,663
Coal	,,	1	1,209	350
Wheat Flour	,,	4,214	12,931	6,902
Fresh Fruits	,,	2,371	3,321	4,203
Cement	,,	10,940	13,208	11,901
Coffee, Raw	,,	9,019	4,286	1,743
Cotton Underwear	Value	5,984,522	8,637,436	6,060,018
Vegetables, Dried	Tons	3,865	3,172	2,120
Sago Flour and Pearl	,,	25,690	52,112	30,687
Pepper	,,	3,831	3,440	3,046
Tin (Blocks, Ingots, Bars or Slabs)	,,	35,854	29,399	21,661
Canned Pineapples	,,	13,173	15,761	8,000
Arecanuts	,,	18,761	16,073	12,823
Palm Oil	,,	34,476	31,192	22,333
Jelutong	,,	2,355	1,760	1,164
Coconut Oil	,,	13,801	17,670	18,412

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NEW ZEALAND NEWS

Labour and Migration

Slower stock turnovers in some sections of trade have been accompanied by a reduction in the number of job vacancies since early 1952. Labour Department figures showed about 18,600 vacancies at the end of June. This was some 1,600 less than a year earlier, and included falls of about 300 in May and 800 in June. There had been a steady decline from the peak of about 34,000 vacancies two years before.

However, it has been pointed out that this trend is not to be regarded as serious, because the number of vacancies is still considerable, and the recorded figure may underestimate the actual number of positions available. Furthermore, it has been argued that there are many tasks urgently requiring labour, such as road construction, house building and repair, the railway system, and expanding private industry. It has also been pointed out that the shortage of labour has inevitably involved a degree of high cost and inefficiency for industry and the community generally. It has been official policy to assist a certain number of immigrants to enter New Zealand, particularly to fill the important gaps in the labour force. Signs that supply of labour is now drawing nearer demand, suggest that the policy is meeting with success.

More Timber Produced

Another record for New Zealand timber production was set in the year to March 31, 1952. Output of both native and exotic timbers increased as shown in the following table, to give a total of more than 575 million board feet for the year.

NEW ZEALAND TIMBER PRODUCTION

(Million board feet)

Year to March 31	Native Timber	Exotic Timber	Total
1931-32	140.7	13.5	154.2
1941-42	267.0	57.4	324.5
1950-51	333.4	194.3	527.6
1951-52	339.1	236.1	575.2

Statistics released by the Dominion Statistician show that the main native timbers were Rimu and Miro, providing 225 million board feet, and Matai, providing 37 million board feet, in 1951-52. Insignis Pine was the predominant exotic species, yielding 225 out of a total of 236 million board feet for this group.

Overseas Securities Purchased

Oversea investments of the Reserve Bank had stood at less than £NZ 2 million for a considerable time prior to August, 1951, but some £NZ 30 million of short and medium-dated securities were purchased with liquid funds held abroad between August and November, 1951. The Reserve Bank states that the investments were partly in response to an opportunity offered by the Bank of England to invest in the short-dated United Kingdom Government serial funding loan, and partly to reach a better balance between low-earning liquid funds and higher-earning, longer-dated stocks. At the end of March, after these purchases of securities, the Bank still held £NZ 21.4 million in liquid sterling funds.

Geothermal Energy

Active investigation of the potentialities of geothermal energy in the thermal regions of New Zealand will be carried further by the erection of a 20,000 kilowatt pilot generating plant at Wairakei, when sufficient steam is available to operate such a station. Full use of the hydro-electric power potential of the North Island is already in sight, and use of geothermal power would reduce the need for demands on alternative sources. The provision of direct heat as well as generation of electricity has been envisaged. Meanwhile, consideration is being given to the possible effects on blowholes and similar phenomena of the large-scale use of geothermal power, which might reduce their value as tourist attractions.

Local Body Loans

In deciding to draw the funds required for its own capital expenditure for the new financial year from departmental sources, the Dominion Government is still under

no necessity to approach the loan market for public borrowing. Therefore, the bond rate remains at a nominal 3%, although in recent months the effective yield on Dominion loans in the market has been about 3¾%.

Local body loan rate is related to bond rate, so that local bodies have not been allowed by the Local Government Loans Board to offer a higher rate than 3¼% for funds. Therefore, large scale borrowing by local bodies has been almost impossible in recent months. The Loans Board report for the year to the 31st March, 1952, showed that it had sanctioned nearly £NZ 14 million of new loans in the year, but record new applications totalled more than £NZ 15 million. The report stated that toward the end of 1951 there had been an increasing demand for loans, but investment in local body securities had subsequently come almost to a standstill.

Announcement on the 19th August of a rise in the local body rate to 4% was therefore welcomed eagerly by local bodies. The rate had been pegged at the 3¼% level since early in the war.

ECONOMIC REPORTS

India's Balance of Payments

India's foreign transactions on current account in the second quarter of 1952 were almost in balance, in contrast to a deficit of nearly Rs 800 million (US$168 million) in the first quarter. The deficit for the first six months of the year was smaller by Rs 120-150 million than the deficit of the preceding six months. In trade with Pakistan, India had an export surplus of Rs 120 million during the half year; in the preceding two years, import surpluses had been the rule. The trade deficit with the dollar area in the second quarter, at Rs 220 million, was about one fourth of the deficit in the preceding quarter, largely owing to a fall in payments for U.S. cotton and other commercial imports. There was a surplus of Rs 60 million with the sterling area, a deficit of less than Rs 30 million with the OEEC countries (against a deficit of Rs 11 million in the first quarter), and a surplus of Rs 50 million with the rest of the world.

Ceylon's Sterling Balances

An agreement reached in September between Ceylon and the United Kingdom provides for the transfer of £9.4 million from Ceylon's blocked sterling balances to the No. 1 account. The amount is to be held as currency reserve. The Ceylon Government has agreed not to draw on this sum without consultation with the United Kingdom.

Malayan Power Development

The Connaught River Power Station in the Federation of Malaya, with a capacity of 80,000 kilowatts, is expected to start operations in January 1953. It will operate initially with 40,000 kilowatts, and possibly at full capacity by late 1953. The new power station will greatly benefit the tin, rubber, and other industries in the area between Klang and Kuala Lumpur in the State of Selangor. It will first operate with coal but it can change to fuel oil if necessary.

Taiwan Government Revenues

Customs duties collected directly by the Government of Taiwan from January through August this year totaled NT$326 million, which exceeded the estimated returns for the period by NT$62 million. Provincial revenue receipts reached a new high of NT$162 million in August. The receipts for June and July were NT$76 million and NT$89 million, respectively.

China's Rice Exports

China and India have signed a contract under which India is to buy another 50,000 tons of rice from China, making India's total purchases of foodstuffs from China 666,500 tons. This is the second rice contract signed by the Peking Government. The first one was with Ceylon, signed on October 4.

Chinese-Japanese Molasses Company

Japan's Ministry of Economic Affairs has approved the formation of the Sino-Japanese Molasses Company as a regular channel for the disposal of the vast stores of molasses from the sugar refining industry of Taiwan. Consultations between Chinese and Japanese officials have been in progress in Taipeh for the past two weeks, and the signing of an agreement for the joint operation of the company is expected shortly. The Taiwan Sugar Corporation, the biggest foreign exchange earner among Taiwan's industries, has long sought a regular outlet for disposing gainfully of the large quantities of molasses from its refining mills. The domestic demand for alcohol and other by-products of molasses could not absorb the supplies available. When the agreement for the joint establishment of a company is finalized, the surplus molasses in Taiwan will be shipped to Japan.

Reduction of Interest Rates in Japan

As of October 6, the monetary authorities of Japan reduced interest rates by 0.365 percent per annum on all loans. For commercial banks the interest rate on foreign trade bills eligible for rediscount by the Bank of Japan is 6.94 per cent; on commercial bills eligible for rediscount by the Bank of Japan, 7.67 per cent: on bills "stamped" by the Bank of Japan, 8.40 per cent; on loans on, or discounts of, other bills, 8.76 per cent. The interest rate on loans by the Export and Import Bank was reduced from 7.5 per cent to 6 per cent. The Development Bank's rate for credit for electric power development, construction of ocean-going ships, or ship purchases has been reduced from 10 per cent to 7.5 per cent. Also, the interest rate on government deposits has been lowered from 6.57 per cent to 5.84 per cent.

Japan-Brazil Trade and Payments Arrangements

Japan and Brazil have concluded one-year trade and payments arrangements effective July 1, 1952. The trade agreement calls for Japanese exports of $33.5 million, about the same as exports in 1951, and imports from Brazil of about $35.6 million, substantially more than in 1951. Japan's principal exports to Brazil will be iron and steel products, nonferrous metals, chemicals, textiles, machinery, ships, and agricultural products, while Brazil's principal exports will include raw cotton, rice, hides and skins, coffee, soybeans, raw wool, and vegetable oils. The trade between the two countries will be conducted on a dollar open-account basis, and any balance above the stipulated amount will have to be paid in U.S. dollars on demand of the creditor party. The trade and payments agreements are to be automatically extended for another year unless advance notice of termination is given by either country.

Philippine Balance of Payments

The balance of payments of the Philippines for the first half of 1952 resulted in a deficit of $1.4 million, with foreign exchange disbursements amounting to $267 million and receipts to $265.6 million. Dollar expenditures during the half year were smaller than in the corresponding period in 1951, largely because of a reduction in imports. Imports during the six-month period were valued at $217.2 million, compared with $227.9 million in the same period last year. However, dollar receipts were much less than a year ago, and accounted for the deficit in the over-all balance of payments.

Philippine Government Finance

The Philippine Senate Finance Committee has estimated that for the fiscal year 1951-52 total government income amounted to P 641.1 million and that expenditures were P 593.6 million. The resulting surplus of P 47.5 million reduced the accumulated national deficit from P175.3 million to P 127.8 million as of June 30, 1952. A surplus of P 9.5 million has also been estimated for the fiscal year 1952-53. The estimates were based on reconciled data from the Department of Finance, the Budget Commission, and the Central Bank of the Philippines.

MORE LIBERAL U.S. FOREIGN TRADE PRACTICES

Foreign trade experts are gratified at the growing interest of American businessmen toward the problems affecting the economies of the free nations, especially the persistent dollar shortage. Several important U.S. business groups have suggested that friendly nations be enabled to earn more dollars by selling more goods to the United States. These officials feel, however, that two factors require clarification. For one thing, they point out, an increase in the sale of goods to the United States, no matter how great, will not in itself solve the dollar shortage problem facing so many countries today. They agree, however, that increased imports can very materially help solve that problem.

American officials believe that there is undue worry over U.S. Government trade regulations among foreign producers seeking to export to the American market. They say that so far as governmental trade barriers are concerned, the United States still is the easiest market in the world for imports to enter. The three governmental obstacles most frequently mentioned are customs regulations, the buy American act adopted about two decades ago, and the tariff with its so-called "escape clause" provision. The U.S. customs law admittedly is a severe one, but its regulations have been greatly eased in recent years. Furthermore, a comprehensive statute, embodying many simplifications of those provisions of the law which cannot be changed merely by regulation, has been drafted. It was adopted last year by the lower house of Congress, but the Senate failed to act upon it before adjournment. The buy American act applies only to purchases for government use. The amounts involved are very small in relation to private purchases. The Defense Department, by far the largest government purchaser, has ruled that every such purchase involving more than $25 thousand on which there is a foreign bid must be reviewed to be sure that foreign policy considerations are taken into account. Recently for example, a very large order for electrical equipment was given a British firm by the army engineers. As for the tariff, the United States has gradually reduced its tariff duties since 1934. It has twice negotiated tariff reductions under the General Agreement for Tariffs and Trade with some 30 countries. During the same period another factor has served to reduce U.S. tariffs, namely, the steady increase in prices throughout the world. Most tariff duties are expressed in terms of so many cents per pound, per gallon, or per dozen. As prices go up, the protection afforded by these fixed amounts per unit naturally goes down. The composite effect of these two processes upon the U.S. tariff has been to reduce it from an average level of 45 percent in 1934 to an average of 12.5 percent today. Moreover, more than half of all U.S. imports are admitted free of duty. Under the escape clause, the tariff may be increased if imports of a product increase sufficiently enough to cause serious harm to industry or agriculture. Such a clause, of course, is available to all countries. It is not intended to provide an escape from normal healthy competition. Out of some five thousand products covering $2,500 million of import trade on which the United States has granted concessions, applications for escape clause action have been made for only about 40 products in the last five years.

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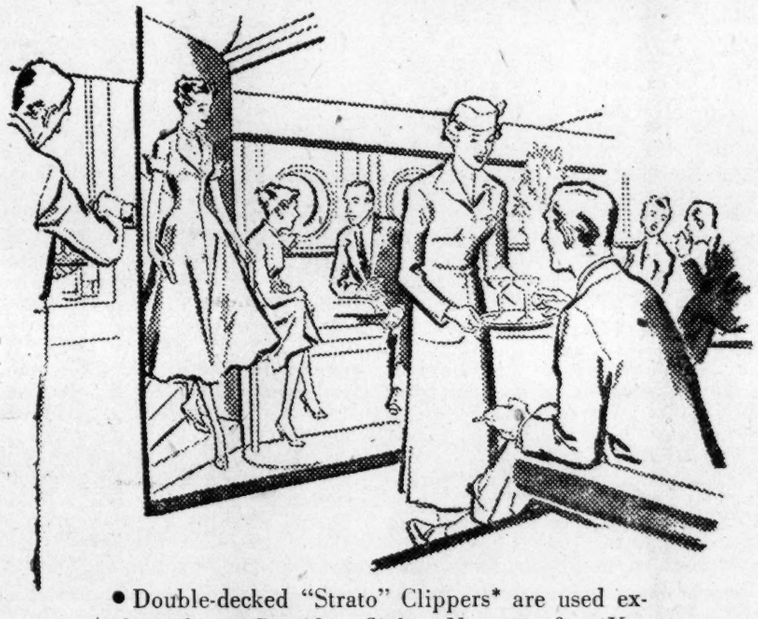

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More than half of these applications already have been dismissed. In only three cases has the United States raised its tariff under the escape clause, and these three cases involved less than $2 million in trade.

SHANGHAI GAS COMPANY, LIMITED

Annual General Meeting

At the eighty-third Ordinary General Meeting of Shareholders of the Shanghai Gas Company, Limited, held in Hongkong last week, it was confirmed that the Shanghai Military Control Commission had requisitioned the property on November 20 this year.

Although Mr. John Gadsby, resident director in Shanghai, and the management have been instructed to attend the office, they are not allowed to function.

The working accounts for the year ended Dec. 31, 1951, show a profit of HK$467,540.02 and the profit and loss account for the same period shows a net profit of HK$57,527.65. This compares with a loss of HK$1,722,-808.47 on the profit and loss account for the preceding year.

During the year, the Chairman stated in his report, a loss of HK$33,483.86 was made on investments sold, and this amount has been charged to the Reserve against loss in value of the Depreciation Reserve Investments which stood at HK$952,414.24 on Dec. 31, 1950. This reserve now stands at HK$918,930.38. The market value of these investments as at Dec. 31, 1951 was HK$1,219,056.52.

The Chairman continued "During the year, loans from the People's Bank of China were slightly reduced, but the appreciation of the Chinese currency resulted in the Hongkong dollar equivalent of the loans outstanding at the end of the year, showing an increase of HK$107,749.70."

"Sales of gas and by-products both show increases as compared with 1950. The comparatively satisfactory trading results must be attributed to the continuous appreciation of the Chinese currency, which reflects the development of production and economic prosperity of industry and commerce in China."

The report of the Engineer-in-Chief stated that "conditions in Shanghai were generally stable throughout the year and no external events happened that could be considered as seriously affecting the Company's business. Nevertheless, monthly gas sales, which started by being fairly close to the figures forecasted, fell off quite badly for some months and it was not until September that actual sales and estimated sales were once more in reasonable agreement. This, of course, had its effect on the financial position of the Company, but there was a brighter side to the picture in so far as the problem of maintaining gas supply during the period of the Retort Reset was made correspondingly easier and there was no necessity to draw on the Woosung Gas Works for bulk supply gas. As the problem of taking such bulk supply in a satisfactory manner had not been found easy to solve a difficult situation was avoided. Although gas sales for the year were below the forecasted figure they were 20% higher than in 1950 indicating a definite recovery of business and the steep rise in demand commencing in July was an encouraging sign. No tariff charges occurred in the price of gas during the year.

"Coal supplies during the year were quite adequate and quality further improved to the benefit of manufacturing economy. Coal prices were also reduced during the year.

"Wages were stable during the year and labour-management relationship was satisfactory. In particular the Labour Union gave constructive help in labour problems associated with the Retort Reset as well as in other practical ways, and this help was an important factor in the successful conclusion of the job."

In his report the Shanghai Resident Director stated: "In ordinary circumstances, your Directors would have presented this account with some degree of complacency, if not of positive pleasure, because although the profit they disclose is trivial, the catastrophic losses of recent years have been checked and changed. But the circumstances of the Company are not ordinary and have been violently affected by the "San Fan" and "Wu Fan" movements with results which will be reflected in the next Balance Sheet. Few, it is believed, will deny the necessity for a purge of corruption; but as one result of the general economic upset, gas sales, as well as the sales of residuals, fell off alarmingly during the first few months of 1952. They have now recovered, and, thanks to the stability achieved by the People's Government the Company's trading future would be regarded with hopeful confidence. The danger is that every call for austerity has an immediate echo in the shape of a fall in the domestic consumption of gas which, in Shanghai, seems to rank as a luxury, rather than as a necessity. Your Company is taking active steps to combat this position but, in the nature of things, progress will not be rapid. In the meanwhile, our Coke has recently been re-graded so as to make it more suitable for use in Chinese households; and it is satisfactory to note that all gas sales, and in particular the industrial consumption of gas, show a steady increase.

"Our relations with the Public Utilities Bureau continue to be good. Without the understanding help of the Bureau during the "San Fan" and "Wu Fan" movements, the position of the Company would have been critical in the extreme.

"In his speech at the last annual general meeting the Chairman mentioned that in spite of the profit made in the first six months of 1951, it was impossible to hold out any prospect of a dividend. This anticipation has of course been fulfilled; and the poor beginning of our business for 1952, in spite of a recovery of business of recent months, makes it necessary again to appeal to shareholders for their patience.

"It is conceived that no further "austerities" are possible. A very large proportion of our foreign staff has left us and more would do so if they could obtain entry visas into other countries. The system of promotion without increase in pay is still in force.

"In his speech at the last annual general meeting held in Shanghai, the Chairman of that meeting referred in hopeful terms to the relationship between Labour and Management and thought that the practice of contrasting the two was unfortunate. Events have completely falsified his anticipations. For Labour and "Representatives of Capital" (Management) are now clearly divided into two camps and no social contact is permitted between them. It should be added that this division has come about at the insistence of Labour and is in no way due to any move on the part of Management."

HONGKONG COMPANY INCORPORATIONS

The following new private companies were incorporated in Hongkong during the weeks ended:

December 6, 1952:—

Leung Fong Medicine Company, Limited—Chemists, druggists, dry-salters, etc.; Nominal Capital, HK$80,-000; Subscribers—Kee Yau Nin, 34, Yee Wo Street, 2nd floor, Hongkong, Merchant; Loo Lai Ching, 34, Yee Wo Street, 2nd floor, Hongkong, Merchant.

The New Pacific Development Company, Limited—Importers, exporters and general traders; Nominal Capital, HK$1,000,000; Registered Office, Room 65, French Bank Building, Queen's Road Central, Victoria, Hongkong; Subscribers—Chiang Te Huai, 14, Fuk Lo Tsun Road, 3rd floor, Kowloon, Merchant; Pao Sui Loong, 31, Seymour Road, 2nd floor, Hongkong, Merchant.

Bloomfields, Limited—Importers, exporters and general traders; Nominal Capital, HK$100,000; Registered Office, Princess Theatre Building, Kowloon; Subscribers—Lim Yang Chow, 6-7, Diamond Farm Road, Diamond Hill, Kowloon, Merchant; Tan Zo Kun Chen, 2, Sun Wui Road, 3rd floor, Hongkong, Merchant.

Sheng Kee Enterprises Company, Limited—Importers, exporters, commission agents and general traders; Nominal Capital, HK$200,000; Registered Office, Room 701A Bank of East Asia Building, 10, Des Voeux Road, Central, Victoria, Hongkong; Subscribers—Kwoh Siang Po, 406, King's Road, ground floor, North Point, Hongkong, Merchant; Chan Ki Wong, 1, Canal Road West, ground floor, Hongkong, Merchant.

The North China Steamship Company (H.K.) Limited—To purchase, hire, build, etc. steam and other ships or vessels; Nominal Capital, HK$500,-

000; Registered Office, 25, Wyndham Street, ground floor, Hongkong; Subscribers—R. S. Dhillon, 25, Wyndham Street, ground floor, Hongkong, Merchant; Kou Fu Lin, 102, Electric Road, 1st floor, Causeway Bay, Hongkong, Merchant.

December 13, 1952:—

Hang Seng Bank, Limited—Business of banking in all its branches and departments, including exchange banking and business, etc.; Nominal Capital, HK$10,000,000; Registered Office, 181, Queen's Road Central, Victoria, Hongkong; Subscribers—Ho Sin Hang, 10, Dragon Terrace, 1st floor, Hongkong, Banker; Ho Tim, 43, Village Road, 1st floor, Hongkong, Banker.

Sunlight Trading Company (Hongkong), Limited—Importers, exporters, commission agents and general traders; Nominal Capital, HK$500,000; Registered Office, 55, Connaught Road Central, ground floor, Victoria, Hongkong; Subscribers—Keh-chong Wang, 97, Leighton Hill Road, 3rd floor, Hongkong, Merchant; Kan-sang Chow, 32, Cumberland Road, 2nd floor, Kowloon, Merchant; Hsiao-yu Wang, 23, Waterloo Road, Room 208, Kowloon, Merchant.

Wing, Ming Import & Export Company, Limited—Importers, exporters, commission agents and general merchants and traders; Nominal Capital, HK$100,000; Registered Office, 2-4, Moon Street, ground floor, Victoria, Hongkong; Subscribers—Ip Fai-sui, 2 & 4, Moon Street, 2nd floor, Hongkong, Merchant; Ip Wing Cheong, 2 & 4, Moon Street, 2nd floor, Hongkong, Merchant.

(Limited by guarantee)

Chinese Recreation Club, Hongkong—To acquire and take over the assets and liabilities of the unincorporated club, to promote the games of lawn tennis, cricket, bowls, badminton and other athletic sports and pastimes, etc.; Maximum No. of Members, 600 members; Registered Office, Chinese Recreation Club Pavilion, Tung Lo Wan Road, Tai Hang District, Hongkong; Subscribers—Lee Yuen Tsaan, 18, Fung Fai Terrace, 2nd floor, Hongkong, Merchant; Arthur T. Choy, 2, Park Road, Hongkong, Merchant; Lau Fook Ki, 7, Yik Kwan Avenue, Causeway Bay, Hongkong, Salesman; Ho Ka Lau, 8, Lau Sin Street, 1st floor, Hongkong, Merchant; A Lau, 31, Mosque Street, 1st floor, Hongkong, Accountant; Chiu Po Hang, 3, Staunton Street, ground floor, Hongkong, Accountant; Lee Wai Tong, 38, Tung Lo Wan Road, Hongkong, Merchant.

HONGKONG COMMODITY MARKETS

China Trade—A list of articles urgently required in China has been issued semi-officially by the South China Foreign Trade Control Bureau. These include: galvd iron sheets, blackplate, galvd iron pipes, iron pipes (ungalvd), tinplate, spanners, motorcar parts, tungsten wire, platinum wire, medical & surgical appliances and instruments, reagents for chemical analysis, precision electric meters, wrist watches, photographic supplies, rattan, sulphonamides, anti-biotics, etc.

Applications to import any of the items on the above list will be accorded priority of approval and given a wide selection of articles which may be exported in return, provided the export shipment is on the approved list of exports and effected within one month under guarantee.

According to the barter regulations of the South China authorities, exports effected on the surrender of foreign exchange may be given the choice of import either by the allocation of foreign exchange or by barter. On the other hand, imports by the allocation of foreign exchange can only be equalised by exports on the surrender of foreign exchange; and in cases of export by barter, the import must also be consummated through barter.

Survey of the HK Markets for week ended December 20, 1952

Except for the presence of Thai dealers, the Cotton Yarn market would have been very quiet during the week. Metals were dull. Apart from buying by speculative interests, Industrial Chemicals saw little activity; a disinclination to trade with China under the existing barter arrangements being evident in view of tight money conditions due to the approaching end of the year. The Paper market saw activity on the part of South Korean and Indonesian exporters although transactions were on a limited scale. In China Produce, buyers were active for Europe (unhulled sesamum, egg powder, gallnuts, bitter almond, cassia lignea, aniseed star, raw silk, silk waste); Japan (rosin, silk waste, gypsum, brans, unhulled sesamum); Singapore (garlic, vegetable wax, tea, maize, groundnut cake, brans); India (aniseed star, galangal, cassia lignea); Pakistan (cassia lignea); Indonesia (rosin, groundnut cake); North Africa (green tea); Taiwan (maize); Australia (woodoil).

HK Commodity Prices Dec. 15-20, 1952

(Spot sales unless otherwise stated)

(One picul = 133.33 lbs)

Cotton Yarn—HK 20s $1150 & $1170/1175 per bale. Italian 20s $1010, $1060, $1120 per bale; 42s $2130.

Raw Cotton—Pakistan 52/53 Dec./Jan. shipment cif HK NT-roller gin $1.93 per lb, LSS-r.g. $1.89, 4F-r.g. $1.87 289F-r.g. $1.97.

Metals—Mild Steel Round Bars, Europe 40' ¼" $57 per picul, ½" $47, ⅝"—1" $42. Corr. Steel Bars, Europe round 20' ⅜", ½" ⅞", 1" $58 per picul. Mild Steel Plates 4 x 8' 3/32" $83 per picul, ⅛" $73. Galvd Iron Sheets G26 70/72 cents per lb, G28 76 cents. Aluminium Sheets, standard qual, U.K. 2' G30 $4.20 per lb; Japan G16-G24 $3.40 per lb. Copper Sheets, Japan 4' x 4' 1/16"—⅛" $4.80 per lb, 4' x 8' 3/32"—⅛" $5.20 per lb. Steel Wire Ropes, U.K. 1" $2.70 per lb, 1¼" $2.40, 1½" $2.15, 2¼" $1.90, 4" $1.50. Galvd Iron Wire Europe G12 $53 per picul, G24 $78. Wire Nails, kegs, G15 1" $56 per picul G8 3" $55, G5 6" $61. Tinplate, U.K. 20" x 28" skids $140 per case. Misprint Tinplate Waste Waste, USA 18" x 24" coked 200 lbs $155 per case. Blackplate Waste Waste, USA G29-G33 18" x 24" $70 per picul. Blackplate, Japan 3' x 7' G30/G31 $72 per picul.

Industrial Chemicals—Asphalt, Roofing $430 per ton. Boric Acid Powder, Italy 78 cents per lb. Tartaric Acid, U.K. $2 per lb. Glycerine, Holland 1.260 s.g. 250-kg drum $2 per lb. Lead Oxide, Red, Australia 560-lbs barrel $123 per picul. Lemon Shellac, India No. 1 $235 per picul. Petrolatum, Snow White, USA 77 cents per lb. Sodium Bichromate, Australia 560-lbs drum 59 cents per lb. Sodium Bicarbonate $41/$40 per bag. Talcum Powder, India 100-kg bag $330 per ton. Quebracho Tanning Extract about 105-lbs bag 73 cents per lb. Sulphur Powder, USA 100-lbs bag $22 per picul.

Paper—Bond Paper, unwatermarked 22" x 34" 32 lbs $24.30/24.50 per ream. Cellophane 36" x 39", Japan coloured $92 per ream. MG Cap 17½ lbs white, Austria $10.60 per ream, Norway $10.80. MG Sulphite, 47 lbs brown Italy, Holland $29/$30.50 per ream; 40 lbs white 35" x 47" Poland $29.50 per ream, 47 lbs white cents per lb. Mechanical Printing, Europe 57 lbs 50 cents per lb. Manifold 16 lbs France $14.20 per ream, 16 lbs Germany $14.50. Newsprint in ream 31" x 43' 30 lbs $20 per ream. Newsprint, thin, in ream 22½" x 51" 25 lbs $18.50 per ream. Duplex Board 240 lbs Sweden $125 ream, Finland $117. Ivory Board 20" x 25" 26-32 lbs $1.20 per lb. Bristol Board 20" x 25" 26-32 lbs $1 per lb.

China Produce—Vegetable Oils: Aniseed Oil 15 deg $640 per picul, export qual $650. Citronella Oil $2.40 per lb. Soyabean Oil $93 per picul. Woodoil (Tung Oil) refined in bulk $184/$194 per picul. Other Produce: Aniseed Star, Nanning 1q $300 per picul. Cassia Lignea, West River 2q 80-lb bale $58 per picul fob. Cassia Unscraped, Honan $105 per picul. Egg Powder, Dried Albumen $5 per lb; Dried Yolk $2.80. Gallnuts, Hankow 2q $33 per picul. Galangal $35 per picul. Garlic, Tientsin toasted $37.50 per picul. Groundnut Cake, Tsingtao $27 per picul. Gypsum, Hupeh $15.50 per picul. Bitter Almond, Tsingtao $105 per picul. Rice Bran, Changsha $19.90 per picul. Wheat Bran, Hankow $19.70 per picul. Maize, Hankow $29.50 per picul. Menthol Crystals $37 per lb. Rosin, East River A-grade $94/96 per quintal, B-grade $84,

C-grade $82 per quintal. Raw Silk, Canton 20/22 $3100 per picul. Silk Waste, Antung 2q $460 per picul. Sesamum, Unhulled, Kwangchowwan black 1q $76.20 per picul, Tientsin white $60, Hankow brown 1q $59. Talcum, Kwangtung, $13.50 per picul. Vegetable Wax $695 per picul. Tea: BOP 1q $290 per picul, 2q $275; Taiwan Green high grade $450, medium grade $395; Pochung 1q $395. Minerals: Crude Arsenate $430 per picul; Tungsten Ore 65% $1110 per picul.

Rice—Chai Mei, HK New Territories (new) $94.50 per picul; See Mew, New Territories (new) $93. Hunan, broken in straw bags 1q $42.40. Thailand 100% 1q $95.50, 2q $94.50, 3q $93.50 per picul; white broken 2q $63.30.

NEW ZEALAND & IMPERIAL PREFERENCE CERTIFICATES

The HK Dept of Commerce & Industry has issued the following New Zealand trade regulation in respect to the provision of Imperial Preference Certificates for Hongkong products:

Customs Department, Wellington C.I. advise that regarding Imperial Preference Certificates we have approved the admission under the British Preferential Tariff of the undermentioned goods, subject to the production of an invoice correctly certified as of Hongkong origin. This course has been taken because practically all shipments of such goods from various suppliers were supported by Imperial Preference Certificates. Apparel, Cotton piece goods, Embroidered handkerchiefs, linen and napery, Matches, Torch cases, Seagrass mats etc., Camphorwood chests and similar wooden goods, Vacuum flasks, Crochet gloves.

In other instances, where doubt existed, importers have been advised to arrange for the production of Imperial Preference Certificates and when these have been produced we have as a rule, accepted them as evidence of Hongkong origin.

There is no mention of Imperial Preference Certificates in the New Zealand Preference Regulations but authority exists for duty to be claimed under the Most Favoured Nation or General Tariffs unless Collectors of Customs are satisfied that the goods are entitled to Preference. You will see therefore that, strictly speaking, the Imperial Preference Certificate is not recognised in New Zealand but, as indicated above, we have regarded it as valuable supporting evidence and it has proved useful to both the importer and the Department.

HONGKONG SHARE MARKET

By Chance

Last week was the quietest week of the last couple of months. Only 124,192 shares were reported done and the total proceeds amounted to $1,853,355. The quietness was possibly due to the end of the year when most of the banks were urging their clients to pay up part of their debts. As a result, money became a little tight and less buyers appeared in the market and many people had to sell some of their holdings to realise cash. The urgent calls of the new issues of both China Providents and Telephones are absorbing some of the cash.

The market eased slightly except insurances shares. Wheelocks and Telephones managed to hold their positions and they realised a little more than at the close of the market of the previous week. Canton Insurances, Union Insurances and H.K. Fire Insurances fetched better prices because buyers presumed that they would pay same or better dividends next year.

The price of Spot Rubber in Singapore dropped 9¼c. compared with the previous week. This big drop, however, did not affect the prices of the rubber shares but caused the market to be very inactive. Only 1,000 Kota Bahroes and 6,200 Rubber Trusts were reported to have changed hands.

The following are the quotations and changes of the share market at the close of the 19th December, 1952, compared with those at the close of the previous week:—

H.K. Govt. Loans

4% Loan, 100 nom.
3½% Loan (1934 & 1940), 91¼ nom.
3½% Loan (1948), 92½ nom.

Banks

H.K. & S. Bank, 1410 b; 1430 s; down $5.
H.K. & S. Bank (Lon. Reg.), £79½ nom; down £1.
Chartered Bank, £9-13/16 nom; down £¼.
Mercantile Bk. A. & B., £19¾ nom; up £¼.
Bank of East Asia, 152 nom.

Insurances

Canton Ins., 260 nom; up $10.
Union Ins., 780 b; 785 sa; up $5.
China Underwriters, 5.30 nom.
H.K. Fire Ins., 160 nom; up $15.

Shipping

Douglases, 160 nom.
Indo Chinas (Pref.), 10.10 nom.
Indo Chinas (Def.), 48.60 nom.
Shells (Bearer), 76/10½ nom; down 7½d.
U. Waterboats, 13½ b; up 50 cents.
U. Waterboats (Bonus), 10.80 nom.
Asia Nav., 1.40 b; 1.60 s; down 10 cents.

Docks, Wharves, Godowns

H.K. & K. Wharves, 90 nom; down $1.
North Point Wharves, 6.45 b; 6.55 s; 6.50 sa; up 5 cents.
Sh. Hongkew, 2.35 s.
H.K. Docks, 20.20 nom.
China Providents (Old), 12.80 b; 13 s; 12.80/.90 sa.
China Providents (New), 6.10 b.
S'hai Dockyards, 1.625 nom; down 22½ cents.
Wheelocks, 30½ b; 30¾ sa; up 25 cents.
Wheelocks (Rights), 10.80 b; 10.80 sa; up 30 cents.

Mining

Raub Mines, 4¾ nom.
H.K. Mines, 3¼c. s.

Lands, Hotels & Bldgs.

H. & S. Hotels, 7.65 b; 7¾ s; 7.70 sa; down 30c.
H.K. Lands (Old), 56 b; 56½ s; 56½/56/56½ sa; down $2.
H.K. Lands (Bonus & 1952 Issue), 55 b; 55½ s; 55 sa; down $4.
S'hai Lands, 1¼ b; 1.30 s.
Humphreys, 13½ s; down 50 cents.
H.K. Realties, 2¼ b; 2.30 s.
Chinese Estates, 140 b.

Public Utilities

H.K. Tramways, 22.20 b; 22.30 s; 22.30 sa.
Peak Trams (F. Pd.), 33½ b.
Peak Trams (Partly Pd.), 16½ nom.
Star Ferries, 117 b; 120 s; down $1.
China Lights (F. Pd.), 9.30 b; 9.35 s; 9.30 sa; down 5 cents.
China Lights (Partly Pd.), 6.10 b; 6.15 s; 6.10/.15/.10 sa; down 10 cents.
H.K. Electrics, 23.30 b; 23.40 s; 23.40/.30/.40 sa; down 40 cents.
Macao Electrics, 11 nom.
Sandakan Lights, 7¾ nom.
Telephones, 18.10 b; up 10 cents.
Telephones (Rights), 4.05 b; up 5 cents.
Shanghai Gas, 65c. nom.

Industrials

Cald. Macg. (Ord.), 27½ nom.
Cements, 18.80 b; 19 sa; down 10 cents.
H.K. Ropes, 20.70 s.

Stores

Dairy Farms, 18.60 b; 19 s; down 50 cents.
Watsons, 24 b; 24.60 s; down 30 cents.
L. Crawfords, 33 nom.
Sinceres. 2.90 nom.
China Emporium, 9.30 b.
Sun Co., Ltd., 1½ b.
Kwong Sang Hong, 140 nom.
Wing On (H.K.), 48 s.

Miscellaneous

China Entertainments, 18.30 nom.
International Films, 78c. s.
H.K. Constructions (Fully Pd.), 2.30 nom.
H.K. Constructions (Partly Pd.), 1.70 nom.
Vibro Pilings, 9 nom.
Marsman, Investments, 6/- nom.
Marsman, (H.K.), 55c. nom.
S'hai Loan, 1.15 nom.
Yangtsze Finance, 5.60 b; 5.80 s.

Cottons

Ewos, 2.20 b; 2.30 s.

Rubber Companies

Anglo-Dutch, 1 nom.
Anglo-Java, 30c. nom.
Ayer Tawah, 3.40 nom.
Bute Plantation, 2.30 s.
Consolidated Rubber, 3½ nom.
Dominion Rubber, 2.20 nom.
Java-Consolidated, 45c. nom.
Kota Kahroe, 3.30 s.
Kroewoek Java, 40c. nom.
Langkat, 50c. b.
Rubber Trust, 2.10 b; 2¼ s; down 5 cents.
Shanghai Kedah, 6 nom.
Shanghai Kelantan, 73c. nom.
Shanghai Pahang, 1 b.
Shanghai Sumatra, 4 nom.
Sungala, 2 nom.
Sungei Duri, 3½ nom.
Tanah Merah, 90c. s.
Ziangbe Rubber, 1½ b.

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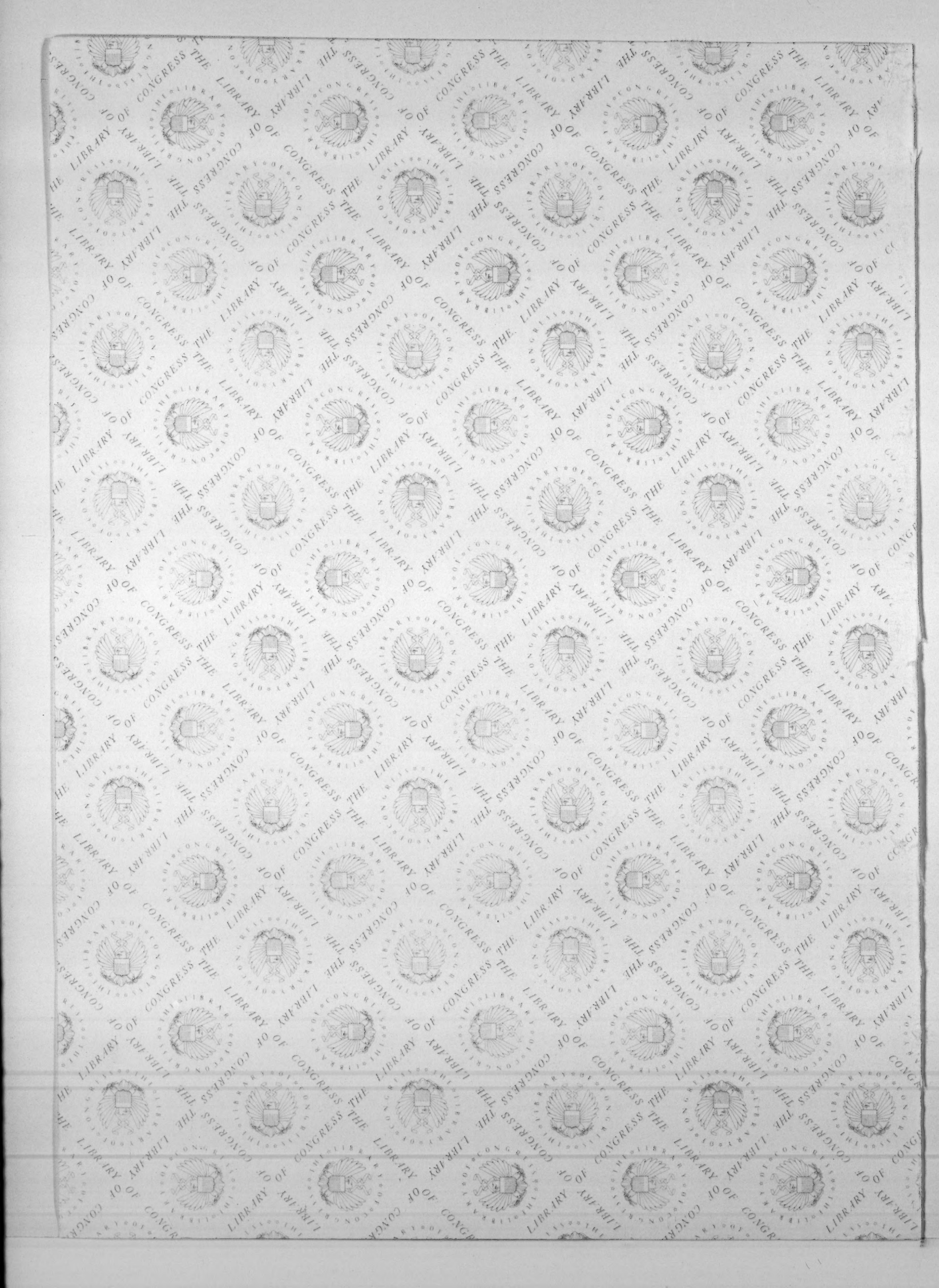
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